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Japan

U.S. Lawmakers Refute Assertion on Hata Meeting

OW2108082993 Tokyo KYODO in English 0736 GMT 21 Aug 93

[Text] Tokyo, Aug. 21 KYODO—A group of eight U.S. legislators Saturday [21 August] refuted the Japanese Foreign Ministry's assertion that Japan's closed rice market was not discussed in their talks Friday with Foreign Minister Tsutomu Hata. The lawmakers from the House of Representatives Ways and Means Committee contradicted a Foreign Ministry briefer, who when asked by reporters Friday if the rice issue was discussed or if the word "rice" was even used, replied negatively on both counts.

California Republican Wally Herger told a press conference at the U.S. Embassy he raised the rice issue "in very frank terms to each and everyone that we spoke with," including the foreign minister, who is concurrently the deputy prime minister.

Florida Democrat Sam Gibbons, head of the delegation and chairman of the trade subcommittee, said, "I can tell you emphatically, without question, Mr. Herger at every meeting we have had, has mentioned rice."

Herger told reporters he urged Japan to open its rice market at least to the extent of 2-3 percent of total consumption. Calling for an agreement "in very short order," Herger said, "the time of being patient is rapidly coming to an end."

"I feel it is completely inexcusable, at a time that we are looking at 50 billion dollar trade deficits with the Japanese, that we are unable to export even a grain of rice into Japan when Japanese consumers are paying almost four times more than what we could sell it to them for," he said.

Hosokawa Responds to U.S. Statement on Relations

OW2108085793 Tokyo KYODO in English 0836 GMT 21 Aug 93

[Text] Tokyo, Aug. 21 KYODO—Prime Minister Morihiro Hosokawa has reaffirmed that Japan will continue efforts to further develop smooth bilateral relations with the United States, a Hosokawa aide said in a statement released Saturday [21 August].

The official issued the document in response to a White House statement overnight that the Japanese prime minister pledged to redouble efforts toward the goal in a telephone conversation with U.S. President Bill Clinton.

White House spokeswoman Dee Dee Myers said in the statement Hosokawa promised Clinton he would step up efforts to work out a new framework for promotion of bilateral trade.

The Japanese statement said, "Japan's position is that it will increase efforts to develop smooth relations (between the two countries)." "It will honor arrangements for the bilateral economic framework."

The Hosokawa aide specifically said preparations are under way to begin bilateral negotiations in September on three sectors—government procurement, automobiles and parts, and insurance.

U.S. Foreign, Defense Ministry Talks Sought

OW2108112893 Tokyo NHK General Television Network in Japanese 0301 GMT 21 Aug 93

[From the "NHK News" program]

[Text] Defense Agency [DA] Director-General Nakanishi has firmed up his intention to visit Washington late September and hold talks with Defense Secretary Aspin on 23 or 24 September. The schedule for his visit and talks is now being coordinated with the U.S. Government.

In the talks with Defense Secretary Aspin, DA Director-General Nakanishi plans to directly indicate that the coalition government led by Prime Minister Hosokawa will basically take over the security policy of the Liberal Democratic Party [LDP] and that Japan will maintain the current Japan-U.S. security system, with the aim of winning the United States' understanding.

Moreover, Nakanishi not only intends to probe how the U.S. Government intends to reduce its military strength in the Asia-Pacific area in the future but also plans to exchange views on future Japan-U.S. cooperation in settling issues including North Korea's development of ballistic missiles.

Taking advantage of Foreign Minister Hata's scheduled visit to the United States late September for the UN General Assembly session, the DA also plans to coordinate a meeting schedule with the United States, in order to materialize the first meeting between the new Japanese foreign minister and DA director-general and their U.S. counterparts. Japan and the United States agreed to hold such foreign and defense ministerial meetings when former President Bush visited Japan last year.

Hosokawa on Talks With Clinton, UN Address

OW2308080893 Tokyo KYODO in English 0740 GMT 23 Aug 93

[Text] Tokyo, Aug. 23 KYODO—Prime Minister Morihiro Hosokawa said on Monday [23 August] that he plans to address the United Nations General Assembly on September 27 on his first overseas trip since assuming the premiership.

Hosokawa also plans to have a summit meeting with U.S. President Bill Clinton during his stay in New York, at which he will pledge to strive to reduce Japan's trade surplus with the United States, government sources said.

In his meeting with Clinton, Hosokawa will outline his government's policy of seeking to maintain friendly political and economic relations with the U.S., the sources said.

Hosokawa unveiled his itinerary at a meeting of the leaders of his coalition parties and top government officials. Foreign Minister Tsutomu Hata expressed his intention of accompanying the premier to the United States, the sources said.

Hosokawa told his coalition partners he will leave Japan on September 25 and return on September 28. The coalition partners agreed with Hosokawa's request to adjust his parliamentary schedule for an extraordinary Diet session that will convene in September, to allow him to make the U.S. visit, the sources said.

Plans Proceed To Purchase AWACS Aircraft

OW2008144693 Tokyo KYODO in English 1434 GMT 20 Aug 93

[Text] Tokyo, Aug. 20 KYODO—The Defense Agency will proceed with its planned purchase of two U.S.-made airborne electronic surveillance systems, the agency's Director General Keisuke Nakanishi said Friday [20 August].

Nakanishi told a press conference that he will earmark money in the fiscal 1994 budget appropriations for the purchase of two airborne warning and control system (AWACS) electronic surveillance planes from the United States.

Asked about opposing opinion within the coalition government, particularly in the Social Democratic Party which takes a more cautious view of the purchase, Nakanishi said it would be possible to "iron out" the differences. "It doesn't matter whether it's peace or an emergency, we still need a capacity to gather information," Nakanishi said.

The AWACS is a surveillance system which uses aircraft equipped with radar and sophisticated communications equipment to detect airborne and seaborne targets and control weapons systems attacking such targets.

Nakanishi's statement is consistent with the previous Liberal Democratic Party (LDP) government's defense policy which included the purchase of two AWACS planes in the budget for the current fiscal year as part of the midterm defense buildup program.

Despite a cabinet decision in December to approve a cut of 580 billion yen in the 1991-95 defense buildup program, the then LDP cabinet allowed the agency to proceed with its original plan to purchase the AWACS system.

The midterm defense buildup program, with a total expenditure of 22.75 trillion yen, includes provisions for the purchase of four AWACS planes.

Yeltsin Aide Burbulis Reportedly To Visit in Sep

OW2308103793 Tokyo KYODO in English 0948 GMT 23 Aug 93

[Text] Tokyo, Aug. 23 KYODO—A senior aide to Russian President Boris Yeltsin will visit Japan from September 2 to 11 in advance of Yeltsin's anticipated mid-October visit, the Japanese Foreign Ministry said Monday [23 August]. The aide, Gennadiy Burbulis, will hold talks with Prime Minister Morihiro Hosokawa and Foreign Minister Tsutomu Hata, as well as other prominent figures from the government, Diet, and business and academic circles, ministry officials said.

Burbulis will be visiting at the invitation of the Foreign Ministry and the private Council on National Security Problems, which will sponsor a lecture meeting by Burbulis on September 8.

Burbulis, a former state secretary who now heads a Russian think tank, told Japanese reporters in Moscow last Friday that Russia would try to settle its long-standing territorial dispute with Japan within the current generation of leadership.

His comment followed Yeltsin's statement on Thursday that denying the existence of a territorial dispute with Japan is one of the options Russia is considering for his planned trip to Tokyo. Japan demands that Russia return the islands of Etorofu, Kunashiri, Shikotan and the Habomai group of islets which were seized by Soviet forces at the end of World War II.

Burbulis is scheduled to visit the city of Nemuro in Hokkaido from near where some of the islands can be seen. He is also scheduled to visit the ancient capital of Kyoto.

A prominent liberal, Burbulis has been a frequent target of criticism from conservatives. Earlier this year Yeltsin was forced to move him from the presidential administration, though he remains a key political adviser.

He was chairman of a committee set up in Moscow last year to prepare for a visit to Japan by Yeltsin scheduled for last September.

That visit was postponed at short notice.

MITI Probes Report on Illegal Chip Export Plan

OW2308045293 Tokyo KYODO in English 0422 GMT 23 Aug 93

[Text] Tokyo, Aug. 23 KYODO—The government is investigating a report that leading electronics maker Toshiba Corp. secretly planned to illegally export chip technology to the former East Germany, Chief Cabinet Secretary Masayoshi Takemura said Monday [23 August]. He told reporters that the Ministry of International Trade and Industry (MITI) is checking the veracity of a report published by the SANKEI SHIMBUN newspaper on Monday.

A MITI official confirmed that the ministry has started a probe into the report, but refused to make any further comment.

The daily, in a dispatch from Berlin quoting "secret documents" from East Germany, said Toshiba and the trading house Mitsui and Co. struck a deal with the then communist government in June 1986 to help build a factory for production of 256-kilobit dynamic random-access memory (dram) chips within three years.

The agreement was scrapped, however, when illegal exports of machine tools to the former Soviet Union by Toshiba Machine Co., one of Toshiba's subsidiaries, came to light in 1987, the SANKEI said.

Exports of strategic materials to communist countries are banned by the coordinating committee for multilateral export controls (Cocom), an international watchdog agency.

Toshiba withdrew from the dram agreement and tried to destroy evidence of it after the other scandal came to light, the daily said. By that time the factory was almost completed, and some technology was transferred to East Germany, the paper said. The East Germans succeeded in completing the plant and mass-producing 64-kilobit drams and also in test production of 256-kilobit drams.

East and West Germany were unified in October 1990.

Mitsui, Toshiba Deny Charges

*OW2308092193 Tokyo KYODO in English 0850 GMT
23 Aug 93*

[Text] Tokyo, Aug. 23 KYODO—Japanese trading giant Mitsui and Co. denied a report Monday [23 August] that it and electronics maker Toshiba Corp. secretly planned to illegally export microchip technology to the former East Germany.

The SANKEI SHIMBUN newspaper, in a dispatch from Berlin that quoted "secret documents" from East Germany, said Mitsui and Toshiba struck a deal in June 1986 with the then-communist government to help build a factory for production of 256-kilobit dynamic random-access memory (DRAM) chips within three years.

Exports of strategic materials to communist countries are banned under the Coordinating Committee for Multilateral Export Controls (Cocom), an international watchdog.

In a statement, Mitsui said it received some inquiries from East Germany regarding new products and technology transfers but said it has never violated Cocom rules.

Toshiba, meanwhile, said it is investigating allegations that it was involved in the incident.

The company said that in 1986, when the alleged violation occurred, it was negotiating with East Germany on technology transfers concerning electronic circuit boards

and transistors for color television sets. Toshiba abandoned the electronic circuit board deal, however, in 1987 when illegal exports of machine tools to the former Soviet Union by Toshiba Machine Co., a Toshiba subsidiary, came to light, company officials said.

Regarding transistors, Toshiba signed a contract for technology transfers to East Germany in 1987 but canceled it in 1988, the officials said. They said neither deal was in violation of Cocom rules, but Toshiba abandoned both in consideration of international criticism.

LDP Policy Chief Criticizes Hosokawa's Remarks

*OW2208051593 Tokyo KYODO in English 0500 GMT
22 Aug 93*

[Text] Tokyo, Aug. 22 KYODO—The Liberal Democratic Party's policy chief urged Prime Minister Morihiro Hosokawa on Sunday [22 August] not to use the term "war of aggression" when referring to Japan's military actions during World War II.

Ryutaro Hashimoto, chairman of the Policy Affairs Research Council of the main opposition party, said such a term might encourage expectations among foreigners of payment of war reparations by Japan. "We don't want (the prime minister) to say something that might produce repercussions," he said.

Hashimoto, who served as finance minister under former Prime Minister Toshiki Kaifu, said some countries want to forget Japan's colonial rule and the war. Speaking in an interview with TV ASAHI, Hashimoto said he wonders whether the prime minister realized his remarks might cause a reaction from bereaved families of the war dead.

The remarks by Hosokawa at the August 10 news conference were the most candid ever made by a postwar Japanese prime minister to describe Japan's World War II actions. He said, "I perceive it as a war of aggression. It was a mistaken war."

At a government-sponsored rite marking the 48th anniversary of Japan's surrender on August 15, Hosokawa expressed condolences to "victims of the war and their relatives in neighboring countries in Asia and throughout the world."

Hosokawa is to deliver a policy speech in the Diet on Monday in which he is expected to offer an apology for Japan's wartime conduct.

On Friday, Foreign Minister Tsutomu Hata told a news conference that Hosokawa's speech would not address the issue of compensation, which had already been settled in the San Francisco Peace Treaty or in bilateral treaties.

'Full Text' of 23 Aug Hosokawa Speech

OW2308053893 Tokyo KYODO in English 0527 GMT
23 Aug 93

[Text] Tokyo, Aug. 23 KYODO—The following is the full text of policy speech delivered by Prime Minister Morihiro Hosokawa at the Diet on Monday [23 August].

Ushering in a new era

Having recently been appointed prime minister, I am prepared to undertake the governmental responsibilities entrusted me.

These responsibilities are heavy indeed—all the more so in that I see this cabinet not simply as navigating a single historical passage but rather as marking a new starting point in our history. Thus I have characterized this cabinet as a cabinet that will initiate changes for the new era, and I am determined to devote myself heart and soul to meeting these responsibilities under the banner of responsible change.

The long era of East-West conflict with the two superpowers of the United States and the Soviet Union at its poles is now over, and a wide range of possibilities are being studied and earnest efforts are being made in the search for a new international order to replace the old system. There is no way that Japan alone could run counter to this historical current, and the bipolar era in Japanese politics grounded upon the Cold War structure has come to a close with the end of the Cold War. I see the results of the last general election as indicating that many people have rejected the politics of conservative-progressive confrontation and hope to achieve a new political structure of realistic policy options. Joining the people in affirming the end of the old era, I would like to say clearly that the curtain is going up on the start of a new era looking ahead to the 21st century.

Unfortunately, there has recently been a spate of natural disasters, including the torrential rains in Kagoshima and elsewhere, the earthquake off southwest Hokkaido, and the eruptions of Mt Fugen in Unzen. Thus even before I go into my policies for this government, I would like to pay my sincere respects to those who have lost their lives in these disasters and my condolences to their bereaved families, as well as to extend my heartfelt sympathies to everyone who has been injured or displaced by these disasters.

I recently visited the afflicted area of Kagoshima and saw with my own eyes the awesome fearfulness of nature on the rampage. While it goes without saying that we will make every effort to facilitate recovery and to ensure the people's safety, I also expect that the national and local governments will work as one and, knowing that every day is a day of anxiety for those people who have been displaced, will act promptly to improve their living conditions as with the provision of housing and disaster-relief facilities so that their lives can return to normal as soon as possible. We will also move vigorously on the

necessary measures to revitalize these areas after they have recovered from these disasters.

Determination to move resolutely ahead on political reform

I have vowed to make this administration a political reform government and will make the utmost efforts to achieve political reform.

Japan is now at a major postwar turning point. Never before has the need for political leadership been so critical, and it is imperative that we restore the popular trust in government as soon as humanly possible. While successive cabinets have declared that fundamental political reform was their highest priority, we have yet to see this reform. These delays in attaining political reform have then fed political distrust and created a political vacuum, and this has in turn hindered efforts to restore the economy to health and to deal with other important policy issues. I have been very concerned about the grave impact that all of this could have upon Japan's course. This is why I have made implementing political reform within the year my cabinet's first and foremost priority, and this is why I am determined not to miss this once-in-a-millennium chance that the voters provided in the last election.

Given the many shortcomings induced by systemic fatigue in the present multiple-representative constituencies for the House of Representatives, I will urge replacing this election system with a combination of single-representative constituencies and proportional representation. At the same time, I will also seek to prevent the recurrence of political corruption as by broadening the definition of and strengthening the penalties for campaign co-culpability and, since corporate and other organizational contributions become an issue every time there is political corruption, will move to outlaw all such contributions and to replace them with neutral, untainted public funding and other provisions. The coalition parties are now energetically working out the details of these reform provisions, and, awaiting their conclusions, I hope to submit legislation to this Diet for the deliberation as soon as possible and am determined to have this omnibus package enacted by the end of the year.

Political reform is not something affecting only politicians and political parties. Just as we must change our laws and our systems, so do I believe it will be impossible for political reform to have any real impact unless each and every voter and citizen is also determined to root out money-dominated elections and the politics of greed, and I am therefore appealing to all of the people for their understanding and cooperation in this effort.

Likewise I intend to make every effort to break up the so-called collusion among politicians, bureaucrats, and industrialists, the politics of special-interest legislators, and other practices that have been hotbeds of political corruption. Believing that the deleterious effects of the bureaucracy's providing voter or financial support for

politicians, directly or indirectly, would corrupt the very heart of politics and government, I intend to rectify the relationship between politics and administration and to act with upright morality in enforcing official discipline.

Making the administration even more flexible and more dynamic is a prerequisite to responding to the diverse demands of the post-Cold War international community and of the people. While I will first make every effort to meet the urgent need for political reform, I know we must also start to work in earnest on administrative reform. Frankly speaking, there has not been that much real progress made yet on promoting deregulation and decentralization, on redressing the harmful effect of our over-compartmentalized bureaucracy, or on addressing other problems, this in part because of the interlinking interests and many obstacles placed in the way. However, these are issues that must be advanced both to achieve administration that the people perceive as transparent and fair and to rectify the over-concentration on Tokyo and develop vital local policies reflecting each specific area's character and initiative. I intend to deal with these issues forth-rightly and am determined to achieve tangible progress.

Vigorous Efforts for Economic Recovery and the Promotion of Fiscal Reform

It is not only the political situation but also the economic situation that continues difficult for Japan, and we must overcome this protracted recession as soon as possible. Although there are indications that, in part with an assist from the recent series of economic measures, the domestic economy is finally emerging from the depths into which it was thrown with the "bubble" economy's collapse, it should be noted that the yen's recent rapid appreciation, the inclement weather, and other factors could well have an adverse impact on domestic demand and that it would not do to take the economic recovery for granted. I believe it is essential that, monitoring currency appreciation's impact on the economy and business conditions and acting in full awareness of our serious fiscal circumstances, we take all necessary and effective measures in a timely fashion so as to dispel the sense of uncertainty about the economy's future. Along with obviously making every effort for the execution of this fiscal year's budget and the package of economic measures adopted in April, I also intend to promptly put together and implement a range of measures from the broader policy perspective in response to the urgent situation confronting us today, including the need for deregulation and issue of sharing the benefits of the yen's appreciation.

Likewise, I believe the need to enhance the Japanese economy's potential demands that we work for changes in the economic structure from the long-term perspective and that we seek to create a climate conducive to the freer exercise of private-sector initiative.

The nation's fiscal situation is serious indeed with the combination of the continuing structural difficulties and

the aftermath of the bubble economy's collapse. In drawing up the draft budget for the next fiscal year, I intend to work to see that fiscal resources are allocated even more effectively on a priority basis, all the while seeking to forcefully promote fiscal reform in line with the basic policy of not issuing deficit-financing government bonds. I especially intend to work for dramatic reform in the allocation of funding to different public works sectors, to invest with a strong priority on those areas that contribute to enhancing the quality of Japanese life, and otherwise to steadfastly promote social overhead capital enhancement in preparation for the advent of a truly aged society in the 21st century.

With respect to taxes, it is now about five years since the radical revision of the tax system in FY 1989, and this period has seen the rise and collapse of the bubble economy, the acceleration of demographic aging, and other changes. Seeking out the views of the people, I intend to undertake a comprehensive review to see whether or not the current tax system has been able to keep up with these socioeconomic changes and to consider how, taking pension premiums and the whole range of forced savings into account, we can create a balanced tax structure of income, property, and consumption taxes so as to attain a just and vigorous aged society. The tax commission is currently studying this very issue, and I intend to respect the results of their deliberations.

A Shift to a Priority on the Interests of Ordinary People

It is time to candidly admit that Japan has so far put its highest priority on economic development and has not paid sufficient attention to improving the quality of life for each and every person or to such aspects as fostering spiritual fullness and achieving social justice, which goals ought to be our national objectives. While the government has recently instituted a number of policies to improve the lives of the ordinary people, the people at large do not yet have any tangible feeling that policy priorities have changed. Mindful of the emerging moves toward a new lifestyle seeking a better living environment, I believe it is essential that we conduct a thoroughgoing review of four traditional systems and policies with consideration to the interests of consumers and ordinary people and of environmental conservation and attaining a social structure conducive to equal participation by men and women. To cite just one pressing issue, I intend to move so that the benefits of the yen's appreciation are passed along faster and smoother in imports and other areas and so that all of the people can enjoy the advantages of the stronger yen.

Japan is rapidly becoming society of many old people and few young. Given the little time that is left us before the 21st century, it is imperative that we take advantages of this lull to set out bold new policies such as those to enhance welfare services and that we move now to achieve a society in which urban workers and rural residents alike can live full lives true to their diverse values in a beautiful and comfortable environment.

Self-Awareness as an International State and Contribution to the International Community

August, when my cabinet was formed, is a month that Japan will never forget. Going back just four turns of the twelve-year cycle, it was with the end of the war in August 1945 that we realized the great mistake we had made and vowed to start anew, resolutely determined never to repeat the wrongs of the past.

Forty-eight years later, Japan has now become one of the prime beneficiaries of world prosperity and peace. Yet we should never forget that this achievement rests upon the supreme sacrifices made during the war and is the result of the great efforts made by previous generations. I believe it is important at this juncture that we state clearly before all the world our remorse at our past history and our renewed determination to do better. I would thus like to take this opportunity to express anew our profound remorse and apologies for the fact that past Japanese actions, including aggression and colonial rule, caused unbearable suffering and sorrow for so many people and to state that we will demonstrate our new determination by contributing more than ever before to world peace.

The world is now confronted with a host of global issues. Respecting the constitutional spirit of peace and international concert, I am determined to play an even greater part than ever before for the resolution of these global issues in full awareness of Japan's position and responsibilities as an international state.

Earnest efforts are now being made in the United Nations and elsewhere to structure a new international order for peace. Seeking a world of greater peace and respect for human rights, I full intend, with the support of the Japanese people, to contribute steadfastly in personnel terms to these international efforts by the United Nations and to take an active part in reforming and strengthening the United Nations so that it can respond to the demands of the post-Cold War world.

The non-proliferation of weapons of mass destruction is an urgent security imperative for Japan and the whole of the global community, and I intend to support the indefinite extension of the nuclear non-proliferation treaty. Going beyond that, I believe world peace depends upon the ultimate elimination of all nuclear weapons from the earth and global disarmament, and I intend to engage in more active foreign policy efforts to that end.

Close cooperation between Japan and the United States centered on the security treaty is indispensable to world peace and prosperity. I welcome the fact that the United States has indicated its determination to maintain its presence and to remain engaged in the Asia-Pacific region, and I intend to make every effort to continue to forge good, constructive relations with the United States as the cornerstone of Japanese foreign policy.

Recognizing Japan's important role as an Asia-Pacific nation, I would like, never forgetting to be modest of

demeanor and always working to foster mutual trust, to make every possible contribution to the peace and prosperity of this region. Along with promoting even closer dialogue and cooperation with the countries of this region in the economic and political fields, I intend to work for even better relations with China, the Republic of Korea, and the ASEAN countries, and our other neighbors.

In our relations with Russia, I intend to work to achieve a resolution to the northern territories issue and the full normalization of the relationship and to provide appropriate support for the reform efforts underway in Russia.

Likewise, I also hope to continue to build even closer cooperative relations with the countries of Europe as they move toward integration and play an increasingly important role in the international community.

Promoting International Concert To Maintain and Strengthen the Free Trading System

It would be no exaggeration to say that Japan's economic prosperity from the end of the war until the present has been possible only because international markets worked and the free and multilateral trading system was maintained. I am thus most concerned that protectionist moves seem to be on the rise and international economic friction is on the increase within the current climate of worldwide economic sluggishness. I believe it is precisely at such a time that it is important that Japan take the initiative in international cooperation to maintain and strengthen the free trading system.

It would surely have a grave impact on the world economy were the Uruguay Round negotiations to end without an agreement, and Japan is determined to continue to make every effort for the successful conclusion of the negotiations by the end of the year as reaffirmed at the recent Tokyo summit. While agriculture is an area in which all countries face difficult problems, I intend to make the utmost efforts for a solution based upon mutual cooperation under our basic policy.

Honestly open to the concern that the United States, the EC countries, and some other countries have expressed over the impact that Japan's massive current account surplus could have on the world economy, I intend to work vigorously for expanded domestic demand and improved market access and for such consumer-oriented policies as rectifying the disparity between domestic and international prices and promoting deregulation, and to strive to reduce our current account surplus, not just to maintain good external economic relations but also to improve the quality of Japanese life. Accordingly, I intend to move promptly to hear what people from different perspectives have to suggest and to determine what policies Japan should implement here, including possible changes in Japan's socioeconomic structure. We will enter into consultations with the United States this September on a Japan-U.S. framework for a new economic partnership, and I believe it is crucial that both countries work to reduce their external imbalances and

to forge stable Japan-U.S. economic relations based upon free-trade and market-economy principles.

At the same time, I also intend to have Japan contribute to the global community commensurate with its abilities and responsive to international expectations, this contribution including efforts to resolve global issues through financial, technical, and other cooperation making vigorous use of our ODA programs and support for the developing countries and the former socialist countries' efforts for reform. With the increasing prevalence of abnormal meteorological conditions and other factors in recent years, there is more interest in global environmental issues in particular. These are not issues for the distant future but are urgent issues demanding our most immediate attention, and I intend to take new initiatives drawing fully upon Japan's own experience and abilities in international efforts to resolve these global environmental issues.

In running the government, I will try to ensure that Japan is a country of quality and substance - what might be called a country of unpretentious excellence.

Many years ago, Lafcadio Hearn spoke to the students at the Fifth Higher School in Kumamoto and characterized the Japanese spirit as one of "love of what is plain and good and simple and the hatred of useless luxury and extravagance in life" and said he thought "the future greatness of Japan will depend on the preservation of that ...spirit."

I was still young when I heard about this, but I feel we are entering upon an age in which the people and the country should not seek to over-extend themselves but should approach life with an unassuming stance and should seek satisfaction not in form but in substance. Not falling prey to great-power ambitions in our relations with the rest of the world, it is essential in our relations with each other that we weave a highly cultured lifestyle of quality and substance and that we bequeath the beauty of nature and the blessings of our environment to future generations.

Thus it is that my political ideals are premised upon shunning ostentation and pursuing quality and substance not only in government and administration but also in the economy and everyday life.

Conclusion: Restoring Popular Trust

This cabinet is a coalition government representing eight different groups. In forming our coalition, we have agreed to continue in principle the foreign, defense, economic, energy, and other key basic policies of previous governments. Indeed, I believe the very way that we have worked to overcome our differences so as to usher in a new era and to rejuvenate politics in response to the trust that the people have placed in us is itself of great historical significance.

Our most important task right now is that of restoring the popular trust in government. And while it goes

without saying that this means we must promptly effect political reform, I believe it is also of crucial importance that we adopt a national reconciliation stance so as to heal the domestic political scars caused by the Cold War and that the relationship between the ruling and opposition parties be transformed from one of discord to one of dialogue, from one of mutual distrust to one of mutual trust, and from one of opposition for opposition's sake to one of constructive competition in ideas. Never forgetting the need to put aside our petty differences and our animosities and to join forces in politics mindful of the people, it is essential that we move forth boldly with the kinds of policies that will contribute to the greater stability and enhancement of Japanese life.

Determined to steer the ship of state in such a way as will prove that the people of Japan made no mistake in their historic verdict, I sincerely hope all of the people and all members of the Diet will grant us their profound understanding and support in this effort.

No Use of 'War of Aggression'

*OW2308102593 Tokyo KYODO in English 0939 GMT
23 Aug 93*

[Text] Tokyo, Aug. 23 KYODO—Prime Minister Morihiro Hosokawa on Monday [23 August] softened his criticism of those who led Japan into World War II, apologizing for their "actions including aggression" compared with his earlier reference to a "war of aggression."

Hosokawa later insisted to reporters that he was not backpedaling from his previous statement. Rather, he said, "I used the word 'actions' because the word 'war' is 'too harsh.'"

Still, his remarks in his first speech before parliament were the boldest unsolicited criticism of Japan's wartime record of any postwar premier addressing the legislature.

"I would thus like to take this opportunity to express anew our profound remorse and apologies for the fact that past Japanese actions, including aggression and colonial rule, caused unbearable suffering and sorrow for so many people," Hosokawa said in the prepared speech.

It was the first time for a premier to use the words "aggression and colonial rule" in referring to the war in an inaugural policy speech, according to a senior government official.

At his first news conference two weeks ago, Hosokawa, stressing he was expressing his personal opinion, said, "I perceive (the Pacific war) as a war of aggression. It was a mistaken war."

The blunt condemnation of the war was met with protests from conservative politicians, who slammed Hosokawa—the first premier from outside the Liberal Democratic Party (LDP) in 38 years—for insensitivity to Japan's war dead and the survivors who made sacrifices for the sake of the nation. Hosokawa was also criticized

for raising expectations among foreigners seeking compensation for suffering inflicted by the Japanese Imperial Army.

On Sunday, LDP policy chief Ryutaro Hashimoto urged Hosokawa not to use the term "war of aggression" because "we don't want (the prime minister) to say something that might produce repercussions."

Over the past several years a swelling number of Asian victims, among them forced laborers and women made to serve as sex slaves in military brothels, have sought compensation in lawsuits against the Japanese Government.

In the past two weeks, Chief Cabinet Secretary Masayoshi Takemura and Foreign Minister Tsutomu Hata have tried to dampen hopes expressed by such people of getting compensation from the new administration, stressing that, with the exception of North Korea and Taiwan, Japan has fulfilled all requirements for reparations through the 1951 San Francisco peace treaty and bilateral agreements.

Takemura told reporters after Hosokawa delivered his speech that he could not specify what particular incidents the government regards to have been acts of aggression because "there is no international definition" of the term. He said he personally defines aggression to include when one government defies the will of another government or peoples, causing considerable human suffering or damage to property. "It is clear that such things happened during the war," he said.

Japanese Communist Party leader Tetsuzo Fuwa expressed disappointment over Hosokawa's failure to reiterate his condemnation of the entire war, and described the vaguer wording as a "major regression." Hosokawa's retreat to a more ambiguous evaluation of the war also reflects the mixed view in Japan of where it went wrong as it fought under the slogan of ridding Asia of Western colonial imperialists.

While many agree that the Japanese Imperial Army committed excesses in Asia, particularly against civilians, others maintain that the war with the United States, which had cut off Japan's energy lifeline by imposing an oil embargo, was a different matter.

"One reason (Hosokawa) did not use the word 'war of aggression' is because the war with America cannot be characterized as such," said a senior official at the prime minister's official residence.

"We also took into consideration the domestic response," he said. But he said that the apology did not make specific mention of Asia because "a blanket apology was needed for the entire world."

Kono: Speech Short on Specifics

OW2308060993 Tokyo KYODO in English 0558 GMT
23 Aug 93

[Text] Tokyo, Aug. 23 KYODO—Prime Minister Morihiro Hosokawa's policy address failed to mention specific measures to tackle the nation's immediate challenges, Liberal Democratic Party (LDP) President Yohei Kono said Monday [23 August].

Kono made the remark to reporters in the Diet building after Hosokawa delivered the speech outlining his administration's overall domestic and foreign policies at a plenary session of the Diet.

Hosokawa's address was only intended to please everybody and lacked explanations on how to turn the nation around, Kono said. "Although he said his government is a reform-oriented non-LDP government, he did not reveal specific measures on how it is different from the LDP government or how to achieve reform," Kono said.

The opposition leader also voiced doubt about whether Hosokawa is aware of the need to take emergency measures to bring the nation out of its extended economic slump.

Individual Political Donation Plans Scrutinized

OW2208132293 Tokyo KYODO in English 1248 GMT
22 Aug 93

[Text] Tokyo, Aug. 22 KYODO—Prime Minister Morihiro Hosokawa's proposal to replace corporate political donations with individual donations with a new tax deduction incentive is under the scrutiny of his coalition partners, political sources said Sunday [22 August].

While the Japan New Party, Sakigake (Harbinger), the Social Democratic Party and the Democratic Socialist Party (DSP) are calling for its legislation, Komeito and Shinseito (Japan Renewal Party) have voiced reservations, the sources said. The proposal calls for encouraging taxpayers to declare part of their income tax as a donation to each political party they support by introducing a tax privilege allowing a partial or whole sum of the donation to be deducted from their taxes.

The DSP has advocated a system of refunding to taxpayers the donation after the annual filing of tax returns, while Hosokawa urges allowing each taxpayer to specify a political party to which they want to give part of their taxes in filing tax returns. However, the Finance Ministry is expected to balk at either system for fear that such a tax reduction system will squeeze the revenue side of annual state budgets, the sources said.

The tax deduction proposal was originally put forward by the Japan New Party-Sakigake alliance July 23 to all political parties as a prerequisite for the alliance to agree to form a coalition with the Liberal Democratic Party (LDP) or the non-LDP group of five parties.

In parallel with the deduction privilege, the seven-party coalition government is now considering legislating a state subsidy program, under which 30 billion yen would be allocated to finance the activities of political parties. However, such a subsidy program would be insufficient in size and tax deduction system needed, as political parties have spent at least 300 billion yen annually to fund their activities, the sources said.

Critics of the refund proposal say it would impose the additional burden on taxpayers of declaring the amount of their political donations to tax authorities. Opponents of the Hosokawa proposal say it may not be able to prevent business firms from forcing their employees to specify the parties favored by the firms as recipients of the employees' donations, they added.

No Brokerage House 'Dubious' Dealings Found

*OW2308093793 Tokyo KYODO in English 0913 GMT
23 Aug 93*

[Text] Tokyo, Aug. 23 KYODO—The Finance Ministry has found no evidence of new incidents of dubious "tobashi" stock shuffling deals in its latest inspection of 47 major brokerage houses, ministry officials said Monday [23 August]. The inspection, carried out last week on the basis of information by the securities companies, found no sign of "tobashi" deals nor did the companies report any trouble with clients in connection with such dealings, the officials said.

"Tobashi" deals involve brokerage firms shifting securities from the accounts of one client to another at spiraling prices so as to cover investment losses incurred by customers and have become illegal since a series of scandals involving such dealings came to light.

The latest inspection came after the disclosure of a "tobashi" case involving a 70 billion yen loss by Cosmo Securities Co., which is to be taken over shortly by Daiwa Bank. According to ministry officials, Cosmo Securities hid the "tobashi" dealings from the ministry and the Securities and Exchange Commission (SEC) for more than a year.

A Finance Ministry inspection in March, similar to the one conducted last week, failed to detect Cosmo Securities' "tobashi" dealings. But ministry officials said they believe the latest investigation shows absence of any new incidents of "tobashi" dealings because the inspection was very strict and thorough.

So far four brokerage houses—Daiwa, Cosmo, Yamatane, and Maruman Securities Companies—have been found to have been involved in 19 cases of "tobashi" deals, leading them to post 234 billion yen in losses because of such stock shuffling. Two other cases are currently being disputed in court.

MITI Minister Interviewed on Economy 15 Aug OW2108132793

[Editorial Report] Tokyo Asahi Television Network in Japanese at 0100 GMT on 15 August begins its regular "Sunday Project" program which includes a live interview with Ministry of International Trade and Industry Minister Hiroshi Kumagai.

The 15-minute interview with Kumagai is conducted by political commentator Soichiro Tawara who is seated opposite Kumagai at a large table, with a panel of six people in the background. The six others include Takanori Mizuno, an economist specializing in international finance, and Kyoto University Professor Masaaki Takasaka. At 0111 GMT, Tawara begins the interview by noting that Kumagai was once an official of the Ministry of International Trade and Industry [MITI].

On the issue of the recent high yen rate, Tawara asks Kumagai if he thinks the rate will go beyond the 100-yen-per-dollar mark. Kumagai answers: "There is a psychological barrier against the yen going beyond 100-per-dollar, so I don't think it will be easy for that to happen. But, still, things we have hoped would not happen are in fact now happening."

At 0113 GMT, Tawara recalls that in June when Hajime Funada, now a lower house member of Shinseito [Japan Renewal Party], was director-general of the Economic Planning Agency [EPA] under the Miyazawa government of the Liberal Democratic Party [LDP], Funada said Japan's economy had hit bottom. Suggesting that the then EPA director erred in his judgment of the economy at that time, Tawara asks for Kumagai's view of the economy.

Kumagai says: "I do not think the economy will worsen drastically—or at a high speed," but adds that, even so, the economic situation is very serious. Asked about the Finance Ministry's insistence that the economy is not bad, Kumagai says: "The Finance Ministry probably says those things because they are the ones who have to come up with the money if it is decided that additional stimulus measures must be taken. But I think we should tackle this matter in the belief that we are reconstructing the Japanese economy. To do that, we must adopt daring policies. If the present condition of the economy is allowed to continue as it is, this could result in a long period of stagnation for us."

At 0115 GMT, Tawara recalls that Kumagai wrote in an article of the March issue of the monthly BUNGEI SHUNJU claiming the Miyazawa administration had committed errors in its economic policies. Tawara asks Kumagai where the Miyazawa administration was wrong. Kumagai replies, "I think there was a grave mistake committed in understanding basic economic conditions. Mr. Miyazawa thought the recession was simply a cyclic one. That was the first point. Another point was that—even though I can be sympathetic with his problem as his judgment was based on incomplete

data—he kept on talking optimistically. He kept on betraying the people that way.” The minister asserts that Miyazawa placed himself in the worst possible position by turning himself into “a leader nobody could believe.”

At 0117 GMT, Tawara notes that Kumagai insisted in his article that domestic demand needs to be expanded and that trade surplus should be reduced by removing various controls. Tawara then adds, “It will take a long time to expand domestic demand and ease controls but right now there are the problems of the high yen and the recession. What are the immediate actions you will take?” Kumagai responds: “First of all, the new government needs to change the fundamental understanding of the previous government. Top leaders of the previous government, including the prime minister, have been replaced. The new government should then introduce decisive measures; it should announce its long- and mid-term policies. After that, short-term plans should be announced. The economy is greatly influenced by psychological factors.”

At 0119 GMT, Kumagai points out that the cabinet members need to share a common understanding of the current economic situation. He says ministers should understand that economic measures similar to the ones introduced in the past will not improve the economic situation. He says: “The huge damage to the land market and financial market, for example, are sources of negative economic aspects. The economy will not grow unless we do something about this damage.”

At 0121 GMT, economist Takanori Mizuno joins in the proceedings, saying he hopes the government will clearly spell out firm measures designed to boost domestic demand and to reduce Japan's trade surplus. In response, Kumagai says: “We will do that. We have to exert utmost efforts to do that.” He adds: “There is no doubt that the cabinet is expected to introduce economic measures first. It is also true that we have no time to lose in terms of domestic and diplomatic viewpoints. We need to act fast. We will take action immediately after the summer vacation.” The interview ends at 0126 GMT.

Kumagai: Stimulus ‘Important’ To Boost Economy OW2308090393

[Editorial Report] Tokyo FNN Television Network in Japanese at 2230 GMT on 21 August, in its weekly “News 2001” program, carries separate interviews with Hiroshi Kumagai, minister of international trade and industry, and Chief Cabinet Minister Masayoshi Takemura. The program is moderated by Yuji Kuroiwa and Kaori Matsuyama with contributions from freelance commentator Kenichi Takemura and Professor Yoshiaki Kobayashi of Keio University. The discussion is also attended by members of the public.

At 2236 GMT, when asked by Kuroiwa to give his views on the continuing appreciation of the yen against the U.S. dollar, Kumagai states that “we are in a very critical situation.”

On dealing with the economy's present malaise, he says: “I think the Japanese economy is suffering from a serious illness. We have to introduce policies to tackle problems earnestly in order to recover from it. Only taking medicine for fever is not enough.”

When asked if the dollar will continue to fall in value against the yen, Kumagai says: “It depends on what kind of medicine we take. The fever will worsen if no measures are taken. However, I think it will go down to a reasonable or normal temperature, depending on the medicine we take. What I mean by normal temperature is that the value of yen will go down to a level that is commensurate with the so-called fundamentals of the economy.”

After a commercial break and a short review of his career and current political role, when asked by Kuroiwa how the benefits of the yen's appreciation will be passed on to Japanese consumers, Kumagai states: “We will announce new economic measures in a month. Passing on profits gained through the yen's appreciation will be a major pillar of these economic measures.” Kobayashi, asserting that consumers do not feel they are benefiting from the yen's appreciation, asks Kumagai to give guidance to the private sector in order to lower imported goods prices. In reply, Kumagai says: “The matter of price differences at home and abroad is related to the structural issue also. The starting point in settling this matter is for everybody to know the gap between prices at home and abroad. In the past, it was difficult to remove the price gap because this issue was kept in the dark. This time, however, we will list price differences assiduously for all products. We will do this in a month.” Addressing the issue of the effects that government regulations have on the price gap, Kumagai says: “If you carefully look at the price differences, you will know very well what I meant by characteristics [of the Japanese economy]. In the case of golf, people automatically think of the high cost of land in Japan. Rice is a well known case, as you know. It seems to me that the case involving imported cars is somehow related to the issue of [government] regulations. I feel that the case of beef is similar to that of rice. After all, I think the problem lies within the distribution system rather than with the government. This can be said about the case of the telephone as well.”

On the issue of reducing official regulations, red tape, and MITI licensing Kumagai says: “I cannot give you a figure right now, however, we have been studying the actual situation closely, including price differences at home and abroad, since I became a minister.”

When Akira Amari, chairman of the LDP Commerce and Industry Division, joins the interview via television relay, he urges Kumagai to review the Maekawa report before introducing new economic measures. Kumagai

agrees that he should do so. He then goes on to explain the need to introduce financial measures in addition to easing government regulations to increase domestic demand. He says: "We need time to feel the impact of easing regulations and requirements. I think an introduction of additional financial measures, which have an immediate effect, is important." In conclusion, Kumagai states that the preparation of a new Maekawa report is under consideration by the new administration.

Following a commercial break, the moderators introduce Chief Cabinet Secretary Masayoshi Takemura, outlining his political career as governor of Shiga Prefecture.

At 2313 GMT Kuroiwa asks Takemura to comment on LDP criticism that the new administration is failing to take any economic measures but is simply watching the value of the rise. Takemura says: "In a way, I feel lucky that we received a big punch called the appreciation of the yen. We know it is not easy to settle this difficult task. However, we strongly feel that we have to deal with this economic issue by refreshing our minds."

In response to a question on what measures should be taken to halt any further appreciation of the yen, Takemura says: "We may have to change Japan's economic structure itself. Consumers cannot feel the benefits of the strong yen. Why? Who is taking all the profits? The matter of easing government regulations and requirements and the collusive ties between the political, financial and bureaucratic worlds is involved in this."

At 2321 GMT, in response to a question from Kuroiwa on Prime Minister Hosokawa's remarks on the nature of Japan's involvement in World War II, Takemura says: "I also think it is undeniable that it was a war of aggression."

Minister, Economists Discuss Recovery 22 Aug *OW2308001293*

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 22 August broadcasts a live, 115-minute special roundtable discussion entitled "The Japanese Economy—Is There Any Scenario for Recovery?" Taking part in the debate are Hiroshi Kumagai, head of the Ministry of International Trade and Industry (MITI); Manae Kubota, director general of the Economic Planning Agency (EPA); Ken Moroi, deputy chairman of Nikkeiren; Tomomitsu Oba, director of the Japan Center for International Finance (JCIF); Toshiaki Kakimoto, managing director of the Japan Research Institute (JRI); Hiroko Ota, assistant professor at Osaka University; and NHK reporter Kenji Nagatoshi. In addition, Arthur Alexander, director of the U.S.-Japanese Economic Research Institute and Keio University Professor Heizo Takenaka join the debate via live satellite hookup from Washington DC; and NHK reporter Kimihiro Morinaga via live satellite hookup from New York. The program is moderated by NHK commentator Takehiko Mizushiro.

Mizushiro begins the debate by discussing the yen's recent surge against the dollar, saying Japan is being urged to reform its economic structure. This is followed by a report from Morinaga in New York on Wall Street reaction to the yen's upswing.

Mizushiro asks Alexander how he thinks the U.S. Government will deal with the yen's rise. He replies: "It seems the U.S. Government favors a strong yen, which will help rectify the trade imbalance; however, Washington does not expect the yen to go too high. If it becomes too strong, it will affect the Japanese economy and prices in U.S. markets." (Alexander) goes on to say that he thinks the U.S. Government wants the yen between 100 and 105 per dollar. Professor Takenaka is asked about U.S. reactions to the yen's appreciation against the dollar. Takenaka says the United States is reacting coolly to the surge, adding that he believes last week's moves in the U.S. foreign exchange markets reflected Washington's warning against the Hosokawa government's unclear economic policies.

Asked to comment on views from Washington, MITI Minister Kumagai says: "I think last week's actions in the foreign exchange markets constituted a signal from the international community, saying that Japan can no longer be allowed to follow the same economic policy." He adds: "If possible, Japan should change its economic policy on its own, without influence from external pressure." Next, EPA Director General Kubota is asked what she thinks of the current yen's surge. She replies: "Because the recent movement in the exchange markets can be considered a warning, the yen will surge again unless Japan changes its economic policies." She adds that this is an opportunity for the EPA to take measures to pass on the benefits of a stronger yen to consumers.

Mizushiro asks Nikkeiren Deputy Chairman Moroi to describe the sense of crisis among businesses. Moroi says the yen's surge has dealt a heavy blow to businesses, since it came when they were in the middle of trying to recover from the deflated bubble economy. He notes: "Businesses have been thrown into a vicious circle that they do not know how to escape from."

At 0020 GMT, Mizushiro reviews changes in the yen rate since last autumn and then asks JCIF Director Oba and JRI Managing Director Kakimoto whether they think the yen will rise beyond the 100 yen level. Oba says he thinks the current yen level will be maintained for another six months. Kakimoto says he feels it depends on the Hosokawa administration's economic policies.

At 0026 GMT, Nagatoshi discusses the expected impact of the strong yen on the Japanese economy and people's living standards, showing the results of a survey conducted by a private economic research institute. The Nagatoshi concludes that the Japanese economy will further worsen, while commodity prices will not go down as expected. Kumagai is then asked to comment on this report. He says: "Government ministers are unanimous that the current economic situation is very severe,"

adding, "The Japanese economy is in a serious condition. I think while ignoring this fact, various activities are being carried out behind the scenes. If Japan continues to achieve only 1 to 2 percent economic growth over the next 10 years, the nation will be in a serious situation."

At 0036 GMT Mizushiro asks EPA Director General Kubota whether or not the EPA has changed its view that the economy has bottomed out. After noting that her predecessor indicated this view in a monthly economic report, Kubota says: "After the report was issued, the yen rose sharply and torrential rains hit Japan. These factors occurred when the employment situation was showing no improvement and when consumer spending remained sluggish. For this reason, the future of the Japanese economy is now unpredictable. Therefore, we should make greater efforts to foresee economic trends."

At 0040 GMT, Mizushiro asks (Alexander) why the U.S. Government jointly intervened last week, an action that was hailed by Japan. Alexander replies that it is difficult to answer the question, and then discusses the U.S. concern that if the yen continues to grow stronger, it will affect Japan's efforts to reconstruct its own economy as well as the world economy. (Alexander) also discusses measures that Japan should adopt to boost the economy and reduce the trade surplus.

At 0047 GMT Kumagai begins to talk about the harmful effects of Japan's trade surplus, saying: "Japan needs to reduce its trade surplus, or it may damage the world economy. It is a matter of course that Japan will make efforts to cut the surplus." (Alexander) hails this remark, saying he has not heard such a splendid remark from a top Japanese official for many years.

Next, Mizushiro seeks Kumagai's views on Japan's unique business practices, such as keiretsu. Kumagai says: "I think such practices are hampering foreign entry into Japanese markets." He adds: "Japan should accept as many foreign companies as possible and enhance our competitiveness through competition with them."

Concerning various demands from the United States, Kumagai says: "I want the Clinton administration to know that it is not good that Washington tries to manage Japanese-U.S. relations by conventional methods."

At 0100 GMT, Kakimoto says Japan had better set some target figures in macroeconomic fields, rather than individual trade fields, to improve itself at its own discretion. In reply, Kumagai reacts positively to the proposal on setting numerical targets for trade surplus reduction, saying: "Kakimoto referred to a very important point. When the so-called Maekawa report was being compiled—I guess Oba was one of the compilers at the time—there was hot debate on whether the report should include numerical targets; in the end they were not listed in the report. Frankly speaking, I think we must reconsider this point now." [new graf]

At 0106 GMT, participants begin discussing what economy-boosting measures the Hosokawa administration should adopt. EPA Director General Kubota says: "I think transferring exchange rate benefits to consumers is a relatively important step toward reconstructing the weak Japanese economy." Kumagai agrees with her, saying: "Within a month, the government should implement whatever measures it can to boost the economy. After that, it should try to formulate medium- and long-term pump-priming measures before the end of the year." He notes that although promoting deregulation and passing on the benefits of a stronger yen to consumers constitute main pillars of the government's economic stimulus package, the new administration should also consider implementing fiscal and monetary measures. Touching on the issue of lowering electricity and gas rates to pass on the exchange rate benefits to consumers, Kumagai says: "I believe the government should cut these rates."

The conversation then turns to the issue of deregulation involving government licensing and authorization processes over business activities. Kumagai says: "The Hosokawa cabinet is determined to devote itself to solving this issue. I think Prime Minister Hosokawa perceives measures to achieve political reform, including electoral reform, as a means to solve this issue." Other participants also note the need to promote deregulation and for the government to work out the new Maekawa report, which will recommend basic guidelines to reform Japan's economic structure.

At 0135 GMT Mizushiro turns to the issue of how Japan should overcome difficulties caused by the yen's surge and how it should help the economy to recover. He asks participants whether or not the government should implement income tax reductions at an early date. Nikkeiren's Moroi says: "Japan has only limited economy-boosting measures. I think reducing income taxes is one of them." Kubota remarks that the reduction is not desirable, but adds: "I personally think that in a situation in which the employment scenario is worsening and social unrest is growing, all measures should be taken into consideration." Kumagai is negative on implementing income tax reductions within the year, saying it requires the government to issue deficit-covering bonds.

In connection with the issue of lowering the official discount rate, Kumagai complains about the Bank of Japan's monetary schemes, saying: "I think we can cut the official discount rate." Kubota also says a lower interest rate is necessary.

At 0155 GMT, Mizushiro concludes the roundtable discussion.

Ministries Agree To Compile Deregulation Plans
OW2308104493 Tokyo KYODO in English 0956 GMT
23 Aug 93

[Text] Tokyo, Aug. 23 KYODO—Government ministries Monday [23 August] agreed to each compile plans

for deregulation and work out measures to shift benefits of the stronger yen to consumers by Thursday, officials said. They said the government intends to wrap up specific schemes by early next month.

Officials of the Prime Minister's Office warned it will not be shy in sending initial plans back to the ministries for reworking should the plans be insufficient and urged them to come up with drastic programs.

Possible target areas of deregulation are streamlined import procedures for automobiles and construction materials as well as establishment of a new discount system for airfares.

The officials noted that Prime Minister Morihiro Hosokawa is not looking so much at the number of items for deregulation but the effective results such measures will bring forth. The officials said the government will have to implement deregulation measures that may possibly face strong opposition from relevant industries.

Steel Industry Asks Extension of Labor Subsidies

OW1808025293 Tokyo KYODO in English 0229 GMT 18 Aug 93

[Text] Tokyo, Aug. 18 KYODO—The steel industry has asked the Labor Ministry to extend labor adjustment subsidies for another year, industry association officials said Wednesday [18 August]. The request follows a prolonged economic slowdown and sluggish steel exports caused by the yen's recent surge, officials said.

The Japan Iron and Steel Federation filed the petition because government subsidies to beleaguered steel-makers to help them cut labor costs are due to expire at the end of September. Nippon Steel Corp., NKK Corp. and six other steelmakers were designated to receive subsidies for the transfer of workers to affiliates, retraining and production cuts since October 1992.

Extending the subsidies would require a further easing of guidelines incorporated in economic pump-priming measures introduced in August 1992.

North Korea

Commentary Calls U.S.-South Exercise 'Reckless'

SK2108002493 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 18 Aug 93

[Commentary by Yun Pyong-son: "An Extremely Dangerous Play With Fire"]

[Text] The U.S. imperialists and South Korean puppets started the aggressive Ulchi Focus Lens 93 joint nuclear war exercise on the early morning of 17 August, braving strong protest and denunciation from the people at home and abroad.

This war exercise, which will continue until the end of this month, involves U.S. combined forces commands,

including the U.S. Joint Chiefs of Staff headquarters; the U.S. Pacific Armed Forces Command; U.S. Army units commands; U.S. communication and electronic commands; U.S. missile commands; tens of thousands of U.S. troops, including the 25th U.S. Army Division which had been notorious for its aggressive act during the past Korean war; and hundreds of thousands of South Korean puppet Army, Naval, and Air Force troops.

In addition, hurled into the war exercise were ultra-modern nuclear-capable fighter-bombers, which had been mobilized in the Team Spirit 93 joint war exercise; an extra-large aircraft carrier; various kinds of aircraft, including nuclear missiles; and a huge amount of ultra-modern war equipment, including fleets of combat ships, artillery, tanks, and armored cars.

This war exercise, which the South Korean authorities are frantically conducting together with the United States, is an intentional and intolerable play with fire designed to turn around the situation on the Korean peninsula, which is moving from peace and reunification, to confrontation and intensified tension.

As everyone knows, we have put forward the 10-point program for great national unity and are exerting all of our efforts to realize it, prompted by a single heart to attain the nation's long-cherished desire—the country's reunification—at an earlier date. Fellow countrymen at home and abroad also warmly support and consent to the 10-point program for great national unity as the most excellent method which can open the door for reunification in the nineties. Thus, they turn out on the road for national unity and reunification.

With the Fourth Pannational Rally, in particular, held recently in Pyongyang, Seoul, and Tokyo, our nation's aspiration for peaceful reunification was growing higher than ever. When a heated atmosphere of peaceful reunification fills our land, the South Korean ruling circles are conducting a nuclear war exercise against fellow countrymen together with outside forces and making the report of guns and firearms. This is a grave challenge to the nation's desire for peace and reunification.

The Ulchi Focus Lens 93 war exercise is not a mere military exercise but an extremely dangerous preliminary war and a nuclear war test for a surprise preemptive strike against the northern half of the Republic in terms of the size of the troops and ultramodern war equipment mobilized for the exercise and the purpose this war exercise is pursuing.

The person of authority in South Korea stated that no allied country is better than the nation, raving about dialogue and reunification. This is a well-known fact. The South is well aware of the adverse impact the Ulchi Focus Lens 93 war exercise and the Team Spirit joint military exercise will have on easing tension on the Korean peninsula. The South Korean authorities are raving with words about reunification and the significance of nation versus outside forces. In deeds, however,

they are generating a nuclear cloud in order to inflict nuclear disaster upon fellow countrymen in collusion with an outside force. Therefore, the South Korean authorities are the greatest cunning national traitor and nuclear warmonger. The South Korean ruling circles are an antinational group which is not interested in fellow countrymen and does not want reunification either but pursues only confrontation, division, and war.

The Ulchi Focus Lens 93 joint nuclear war exercise, which the South Korean authorities are conducting together with outside forces, creates an extremely dangerous situation on the Korean peninsula, in which a nuclear war may break out at any moment. The criminal acts by the South Korean ruling circles, which spoil national unity and an atmosphere of reunification and intensify tension with the reports of guns and firearms, cannot be tolerated in any way.

The United States has made a public commitment that it will not use arms, including nuclear weapons, against us and that it will not threaten us with these arms, yet the United States is conducting a nuclear war exercise against us. This is an act that tarnishes the spirit of the DPRK-U.S. joint statement, betrays its own promise, and thus goes back on good faith.

Our people and the People's Army are now closely watching the rascals' reckless war maneuver with heightened revolutionary vigilance. If the U.S. imperialists and South Korean puppets provoke a nuclear war, ignoring our repeated warnings, they should clearly know that they will be held wholly responsible for all the consequences arising therefrom and should not run amok.

Reportage on U.S. Ulchi Focus Lens Exercise

On 19 August

*SK2108050393 Pyongyang KCNA in English 0437
GMT 21 Aug 93*

[Text] Pyongyang, August 21 (KCNA)—The U.S. imperialists and the South Korean puppets committed a large-scale intensive bombing exercise in the sky above Chongju, Taegu and Chongson as part of the criminal "Ulchi Focus Lens" joint nuclear war exercises on August 19, according to military sources.

Hurled into the game were several dozen pursuit-assault planes and VTOL assault planes based in Japan proper and the Pacific, hundreds of fight-bombers, assault, observation and reconnaissance planes of the U.S. Airforce deployed in South Korea and the puppet airforce. On the same day, more than 30 combatant ships and a landing group of the puppet army which were massed on the sea off Kunsan staged a sea attack and landing operation exercise against the North under the command of Blue Ridge, a U.S. landing command ship.

That day, tank, armoured vehicle and mechanized infantry units of puppet army swiftly deployed in the Kapyong and Pochon areas staged attack exercise under

the cover of fighter planes against the North aimed at breaking through the Military Demarcation Line. Earlier, on the night of August 18, "commandos" sent to the sky above these areas staged a parachuting exercise of securing a base in an in-depth spot and raiding objects.

On 20 August

*SK2208082893 Pyongyang KCNA in English 0808
GMT 22 Aug 93*

[Text] Pyongyang, August 22 (KCNA)—Scores of planes based in the extra-large carrier Independence staged an exercise of surprise strike at targets in coastal areas of the northern half of Korea under the command of Blue Ridge, a command ship of a landing force, in the sky above Tokchok Islet of South Korea on August 20, according to military sources.

On the same day, formations of Pacific-based large transport planes airlifted huge aggression troops and combat equipment for the "Ulchi Focus Lens" war exercise to U.S. Air Force bases in South Korea, and they were quickly deployed in operational zones. That day, a U-2 high-altitude strategic reconnaissance plane committed electronic reconnaissance on the in-depth areas of the northern half of Korea in the sky above the Military Demarcation Line area and RV-1, RC-12 and other tactical reconnaissance planes ran amok in an aerial espionage on the frontline area of the north side.

A large-calibre artillery group and armed bandits of the puppet army fired scores of shells and automatic rifle bullets into spots near the Demilitarized Zone along the Military Demarcation Line on the same day.

Meeting in U.S. Calls President's Remark 'Rude'

*SK2108235193 Pyongyang KCNA in English 2206
GMT 21 Aug 93*

[Text] Pyongyang, August 21 (KCNA)—A solidarity meeting supporting the Korean people's struggle for peace on the Korean peninsula and the reunification of the country was held in the United States.

Present at the meeting were public figures of various circles.

The speakers extended greetings to the Korean people who were the first in history to defeat U.S. imperialism and exposed the atrocities committed by them in the Korean war.

They branded Bill Clinton's rude remarks in South Korea as an open threat to the Korean people and expressed support to the just struggle of the Korean people for national reunification.

They called for forcing the U.S. troops to withdraw from South Korea and supporting the struggle of the Korean people more actively.

U.S. Christian Leader Visits Mangyongdae

*SK2308050093 Pyongyang KCNA in English 0425
GMT 23 Aug 93*

[Text] Pyongyang, August 23 (KCNA)—The Rev. Syn-gman Rhee, president of the National Council of the Churches of Christ in the United States of America, visited Mangyongdae.

While going round the native house in Mangyongdae where the great leader President Kim Il-song was born and spent his childhood, cultivating his lofty will for revolution, the president saw with keen interest the historic mementos which have been preserved with much care, being briefed on an immortal story associated with the historic house.

He posed for a photograph in front of the old house in Mangyongdae before going round the revolutionary historic relics of Mangyong Hill.

He also visited Kim Il-song University.

Daily Says U.S. 'Dragged' Into Japanese Plot

*SK2108040193 Pyongyang Korean Central
Broadcasting Network in Korean 0015 GMT 21 Aug 93*

[NODONG SINMUN 21 August commentary: "A Dangerous Blind Cooperation"]

[Text] The U.S. undersecretary of defense, who visited Japan recently, has asked Japan to get involved in our missile issue. It is said that the two sides agreed to form this September a so-called joint working group composed of the U.S. Defense Department and the Japan Defense Agency. This is a wrong move.

Some U.S. Department of Defense figures should know that by agreeing with Japan to jointly deal with our missile issue, the United States will be dragged into the Japanese plot to finish building its nuclear armaments after all.

Running counter to today's reality with the collapse of the cold war, Japan is attempting to ambitiously build up arms and to strengthen its political and military role in the international arena in proportion with its economic power.

Japan is attempting to realize this ambition based on its nuclear capability. Hence, it has completed preparations to produce nuclear weapons at any time. The only thing Japan has yet to do is to provide itself with an excuse to justify its nuclear armament. The agreement between the U.S. Department of Defense and the Japan Defense Agency provides Japan with this excuse.

The agreement between some figures of the U.S. Defense Department and Japan to deal jointly with our missile issue will help Japan to complete its nuclear armament. Japan, which has completed preparations to produce nuclear weapons at any time, is attempting to acquire more modern nuclear delivery vehicles as well.

What would happen if Japan had modern nuclear delivery vehicles and the blind cooperation of the United States? Undoubtedly, it would pose a great threat to peace and security in Asia and the world.

The action taken by the U.S. defense secretary, who not seeing this as a potential threat and increasing support for the Japanese maneuvers for strengthening its nuclear delivery vehicles, is causing deep concern and great anxiety among the people of Asia and the world. Japan, which has already justified its dispatch of troops overseas, is attempting to wage aggression overseas equipped also with nuclear weapons.

In the past, the Japanese imperialists provoked the Pacific war and imposed great misfortune and disaster on the people of Asian countries. The U.S.' Pearl Harbor was the victim of the Japanese imperialists' surprise attack. There is no guarantee that Japan will not repeat the war of aggression.

A saying goes: A dog brought up with tender care will bite the heel of its master. The U.S. military circles should never forget the lesson from the Pacific war.

Daily: Japan Still Covers Up 'Heinous Crimes'

*SK2108110193 Pyongyang KCNA in English 1027
GMT 21 Aug 93*

["They Must Honestly Repent of History of Aggression"—KCNA headline]

[Text] Pyongyang, August 21 (KCNA)—Some Japanese cabinet members including officials of the ministries of education and justice claimed that "Japan did not fight the war for global aggression" in World War II.

Commenting on this, MINJU CHOSON today assesses this as another sign that Japan has not yet abandoned its old stand of covering up the heinous crimes it committed in the past.

The analyst notes:

Japan's attempt to evade the liquidation of the past is, in fact, the continuation of the aggressive action and its refusal to admit its past crimes reveals its dangerous design to repeat the history of aggression. In actuality, Japan has opened the way of overseas dispatch of troops and embarked upon the road of reinvasion, while trying hard to become a military power armed with nuclear weapons.

And it must not go unnoticed that the Japanese authorities are persistently fostering the militarist spirit.

It is well illustrated by the fact that some ministers of the new Japanese Government recently visited the Yasukuni shrine, a symbol of militarism, and "consoled the souls" of the top-class criminals of the war of aggression. It is clear to anyone that this is not an act of "repentance" and "peace."

If the Japanese authorities truly want to break with the past, take the road of peace and get international trust, they must honestly repent of Japan's past crimes and apologize to the time and history for them, sincerely liquidate the past and not repeat the mistakes of history. Doing so is necessary for themselves, not for others.

Daily on 'Double Standard' of 'Imperialists'

SK2208083693 Pyongyang KCNA in English 0820 GMT 22 Aug 93

["Double Standard Cannot Be Allowed in International Relations"—KCNA headline]

[Text] Pyongyang, August 22 (KCNA)—The imperialists' unreasonable double standard can never be allowed, and international issues must be settled fairly in conformity with international justice, says NODONG SINMUN in a by-lined article today.

It reads in part:

The application of the unreasonable double standard by the imperialists at present is graphically manifested, above all, in the human rights issue.

They are slinging mud and putting pressure on other countries and encroaching upon their sovereignty over the "human rights issue", while keeping mum about their own serious human rights issue. This is indeed a double standard.

Their unreasonable argument about the human rights issue is a manifestation of the double standard application. They describe in a far-fetched way the human rights abuses in their own countries or satellite countries as "defence of human rights", and the defence of human rights in socialist and other progressive countries as "violations of human rights". In doing so they seek to put pressure on progressive countries and gratify their dominationist ambition by brandishing the "human rights stick".

They are trying to apply the unreasonable double standard in the nuclear issue, too.

Now the imperialists are applying the double standard by kicking up a row over the "nuclear problem" of specific countries in violation of the principle of impartiality and closing their eyes to their satellite countries and stooges that develop and possess nuclear weapons in actuality.

It is a well-known fact that they have invented the "suspicion of nuclear development" of the DPRK and raised a hue and cry over the fiction.

They are behaving extremely unfairly in the matter of terrorism, too. While engaging themselves in terrorism, they are trying to shift the blame for it onto other countries which are opposed to it or have nothing to do

with it, and are unhesitatingly committing open threats and blackmail and state-sponsored terrorism against them on that pretext.

The imperialists' application of the double standard in international relations is nothing more than their attempt to isolate and destroy the countries which are advancing along the road of independence, social progress and justice and maintain and extend their sphere of domination.

Commentary Denies Reports on 'Food Riots'

SK2308042593 Pyongyang Radio Pyongyang in Korean to South Korea 1220 GMT 22 Aug 93

[Unattributed commentary: "Fits of Those Who Are Seized With Uneasiness and Anxiety"]

[Text] Citing a report in the 20 August edition of the U.S. newspaper THE WASHINGTON POST, some South Korean media have carried a groundless fabricated report that slanders our Republic. Citing tourists, the report says that food riots and uprisings have occurred in various places in our country since this spring and that the military has been mobilized to quell them.

Even lies have their limits. Those media sources highlighted the report on riots and uprisings, which are impossible and unimaginable under the popular masses-centered socialist system in our country. Therefore, we must say we are dumbfounded. [passage indistinct]

This groundless slanderous report must be the work of the puppet Agency for National Security Planning [NSP] of South Korea, given the content and method involved. The puppet NSP successively fabricated similar slanderous reports in 1991, during the Sixth Republic.

This past April and May, when the so-called civilian regime was in place, the NSP spread the fabricated report that large-scale anti-establishment riots [chejerul pandaehanun taepoktong] had taken place. When the report was proven untrue, the agency became an object of ridicule. People still vividly remember this.

Our country has long attained self-sufficiency regarding food. Our people are supplied with food at low prices. The food is almost free of charge. The entire world knows this. Many foreign visitors to our country envy and admire this. Since this is the situation, why would those tourists quoted in the NSP's slanderous report deem this to be a food shortage?

Moreover, all the people are single-mindedly united around the party and the leader. The traditional custom of Army-people unity is blossoming beautifully. This is what everyone sees.

Only NSP slanderers can shamelessly distort this admirable reality.

The report spread by the puppets is a total fabrication not worthy of consideration.

It is none other than South Korea where the people face hardship, including food shortages, and where the establishment always shakes because of the popular masses' resistance. South Korea has continually become less self-sufficient. It could only supply 37.5 percent of the food on its own last year. The food shortages are so serious that numerous primary school students who are still growing actually go to school without means for lunch. Even the U.S. newspaper THE WASHINGTON POST once reported that starving children committed suicide in downtown Seoul after eating rat poison. South Korea is a living hell where people are writhing in dire distress because of the oppressive rule by outside forces and fascists; the people face hardship and are harshly exploited by the outside forces and fascists. The popular masses' resistance and uprisings are common in this antipopular society. This is clearly proven by the past and present realities in South Korea such as: the 19 April [1960] people's uprising and the popular uprisings by the youth and students, workers, and people from all other walks of life which still continue even under the current civilian regime.

The South Korean rulers, after taking off their civilian masks, sent forces of authority even to places where workers were staging strikes for the right to exist and ran wild. By so doing, they proved that their rule was so weak that they could not maintain their rule without using guns and bayonets.

It is indeed preposterous for these guys to spread the fabricated public opinion as if there were some problem in our Republic, which is politically a most stable and model society. This cannot but be an absurd remark that is like a crow telling a swan, you are black. Why did the NSP of South Korea fabricate and spread such a silly and immature smear report? It is nothing but anti-Republic smear propaganda which is not worthy of consideration and which the puppet NSP deliberately concocted. The NSP has been swayed by the extreme unrest and its concern over our socialism, which is winning victory after victory with each passing day. It has also been swayed by its concern over our Republic's prestige, which is being further enhanced externally more than ever before. The NSP's reaction is the spasm of a sleepwalker.

When the former Soviet Union and East European socialist countries collapsed, the South Korean anticommunist elements expected that the same would happen with the socialist system of our Republic. However, their expectation turned out to be a vain dream when we advanced without faltering, holding aloft the banner of socialism. This year again, they ran wild as the shock brigade of the imperialists and reactionary forces, while pinning great expectations on their joint offensive to obliterate [apsal] our Republic. However, they had to make their efforts in vain because of our people's singlehearted unity. The people have firmly rallied around the party and leader. This resulted in revealing to the world the powerfulness and invincibility of our Republic.

In particular, the celebration functions held to mark the 40th anniversary of the war victory last July once again demonstrated to the world that the singlehearted unity of the leader, the party, and the masses is the essential nature of socialism of our own style and our life's path. Unhappy with this, however, the anticommunist schemers clung again to their hackneyed smear anti-Republic propaganda in a bid to block the might of our singlehearted unity and its influence over the South Korean people at any cost.

Everyone can observe that through such a silly and immature smear report, the anticommunist schemers in South Korea hoped to move the people's attention away from the South Korean reality in which the civilian government's rule is faced with a crisis. They tried to sweep out the North's spirit of collaboration and communism, which is being enhanced among the South Korean people. However, when these smear maneuvers against our Republic are continuously perpetrated, their pitiful situation of being rejected by the people will be further revealed to the world.

False smear propaganda cannot exist in a bright world. The fabrication incident this time shows that as long as the NSP of South Korea, whose main business is the anticommunist smear propaganda, is left as it is, we cannot achieve national reconciliation and unity nor can we escape the situation in which public opinion is mocked by a smear organ such as the NSP.

We also take this opportunity to tell the South Korean press organs which made public the false smear report fabricated by the NSP without giving any prudent consideration, it is indeed shameful for a press organ which has the mission of reporting only truth and of correctly leading public opinion, to be turned into a means for propaganda and for spreading false rumors.

The South Korean press should not play the role any longer of being the government-patronized bugler of the puppet NSP, which has been inspiring distrust and confrontation among fellow countrymen just like the previous fascist regime did.

No matter how loudly a dog barks, it cannot shake a mountain. No matter how hard the South Korean schemers may concoct a false report in a bid to slander us, the superiority and might of socialism of our own style can never be damaged by it, and, at the same time, our socialism will continue to advance on the road of victory, using singlehearted unity as a driving force.

Kim Chong-il Gives Guidance to Newspaper Staff

*SK2108013893 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 20 Aug 93*

[Text] Comrade Kim Chong-il, member of the Presidium of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and secretary of the party Central Committee, gave on-the-spot guidance to the NODONG SINMUN enterprise on 19 August. He

was accompanied by Comrade Kim Ki-nam, secretary of the WPK Central Committee, and Comrade Hyon Chun-kuk, member of the WPK Central Committee and editor in chief of NODONG SINMUN.

Upholding the party's intent, reporters and editors of the NODONG SINMUN enterprise are educating party members and working people in a revolutionary manner and are doing innovative compilation work in the newspaper to vigorously lead the people through the revolutionary struggle and construction work. They have raised the technological level of the newspaper's compilation and publication process in conformity with the demands of developing realities. Also, they have obtained a great achievement in the newspaper work by conducting a struggle to further consolidate the material and technological foundation.

On 19 August, Comrade Kim Chong-il also looked at the new compilation process of the newspaper. After this, he held consultations with the enterprise's editorial functionaries and put forward a programmatic task, a mighty ideological weapon of our party, which will be a guideline of the compilation and publication work of NODONG SINMUN.

Comrade Kim Chong-il expressed his great satisfaction to the party organ group for its contribution in the improvement of the newspaper's compilation work with a boundless loyalty to the party and a high sense of revolution and for its great achievements in the work of further modernizing the newspaper's compilation and publication process in conformity with the demands of developing realities and highly praised it. He also expressed his appreciation to all reporters, editors, and employees.

Comrade Kim Chong-il pointed out that the mission of NODONG SINMUN employees is to provide more spiritual food to party members and working people, to educate them in a revolutionary manner, and to vigorously encourage and lead them to the revolutionary struggle and construction work. He stressed: To truly contribute to the ideological indoctrination work of party members and working people in conformity with its own position and duty, the party organ must further raise the political level of compilation by reflecting the demands of the times and aspiration of the popular masses and produce the newspaper with a unique characteristic so that everyone can read it with interest.

Saying that the function and role of editors must be enhanced to further improve the political and ideological level of the party organ and to correctly show its special characteristics, Comrade Kim Chong-il presented the detailed tasks and plans for its realization.

Comrade Kim Chong-il pointed out that reporters and editors of the party organ must constantly raise their political and working level and produce more correct articles by conducting their news coverage activities more energetically, saying that they are the standard-bearers of the ideological front who truly contribute to

the fulfillment of our party's cause with their writing activities. He said that in content and forms, NODONG SINMUN, a combatant organ of our party, must serve as an example to other newspapers, and that it also must be absolutely perfect in consolidating materials and technological foundation. He pointed out that it must continue to vigorously conduct a struggle to further modernize all processes, including the newspaper's compilation, printing, and publication.

Functionaries, reporters, and editors of the party organ are full of the burning conviction to positively contribute to the realization of the chuche revolutionary cause by producing a better NODONG SINMUN so that it can truly contribute to the ideological indoctrination work of party members and working people by thoroughly implementing the programmatic tasks presented by Comrade Kim Chong-il.

Further on Guidance

*SK2108045793 Pyongyang KCNA in English 0424
GMT 21 Aug 93*

[Text] Pyongyang, August 21 (KCNA)—The dear leader Comrade Kim Chong-il gave on-the-spot guidance to NODONG SINMUN Thursday [19 August].

He was accompanied by Kim Ki-nam, secretary of the Central Committee of the Workers' Party of Korea [WPK] and Hyon Chun-kuk, member of the C.C. [Central Committee], the WPK and editor-in-chief of NODONG SINMUN.

After seeing a new process of newspaper editing Comrade Kim Chong-il convened a consultative meeting with the editorial staff of NODONG SINMUN and set forth highly important tasks which serve as a guideline in the editing and publication of NODONG SINMUN, a mighty ideological weapon of our party.

He noted with deep satisfaction and high appreciation that with the staff of the party organ have achieved many successes in the work to improve the newspaper editing and further modernize the process of editing and issuing the paper in conformity with the needs of the developing reality with unfailing loyalty to the party and a high degree of revolutionary zeal and extended thanks to all the journalists, editors and employees.

Comrade Kim Chong-il said that the basic mission of NODONG SINMUN was to give the party members and other working people much mental pabulum and thereby [word indistinct] them in a revolutionary way and vigorously inspire them to revolutionary struggle and construction work.

If the party organ is to truly contribute to the ideological education of the party members and other working people in keeping with its position and mission, he said, it is necessary to raise the political level of editing, reflecting the requirements of the times and wishes of the popular masses, and edit the newspaper in a peculiar way so that everyone can read it with interest.

Saying that if the political and ideological level of the newspaper is to be raised and its characteristics well preserved, the function and role of the editorial committee should be enhanced, he indicated concrete tasks and ways for its implementation.

Noting that journalists and editors are standard-bearers on the ideological front who truly contribute to the cause of our party through their writing activities, he said that they should steadily improve their political and professional qualifications and conduct more energetic journalistic activities and write more and better stories.

Saying that NODONG SINMUN, the militant organ of our party, should not only be a model for other newspapers in content and style, but flawless in material and technical foundation, Comrade Kim Chong-il said that sustained energetic efforts should be made in the future, too, to further update all the processes from editing to printing and issue.

Kim Chong-il Extends Thanks to Soldiers

SK2308045893 Pyongyang KCNA in English 0423 GMT 23 Aug 93

[Text] Pyongyang, August 23 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to the soldiers of the Korean People's Security Forces who had accomplished feats in increasing the production of nonferrous metal ores and to the officials of the Ministry of Public Security and the State Electric Power Industry Commission who had rendered active assistance to them.

KCNA Marks Kim Il-song Training Anniversary

SK2108120593 Pyongyang KCNA in English 1010 GMT 21 Aug 93

[Text] Pyongyang, August 21 (KCNA)—Sixty years have elapsed since the great leader President Kim Il-song arranged and guided a political training course in Paksokkol in northern Korea in August, 1933, during the anti-Japanese armed struggle.

In the training course President Kim Il-song gave a lecture on the subject of expanding the party and the Young Communist League [YCL] organisations, enhancing their function and role and establishing an orderly organizational and guiding system. Stressing that party organizations should be constantly broadened in the homeland, if the revolutionary movement at home daily growing under the influence of the anti-Japanese armed struggle was to be developed more vigorously on the track of independence and the preparations for founding a revolutionary party of new type were to be promoted dynamically, he laid down questions of principle and ways for expanding and strengthening the party organizations.

He also elaborated on such problems as educating the basic masses in the revolutionary idea to bring them up to be party members, expanding and strengthening the

YCL organisations, categorically rejecting the leftist tendency of closed-doorism and the rightist tendency and firmly building up the party ranks by the party organizations in the homeland.

And he said that the people of different strata should be closely rallied in the underground revolutionary organizations and anti-Japanese mass organizations including trade unions and farmers' associations and be actively mobilized in the anti-Japanese struggles of different forms.

The Paksokkol political training course was a historical one which indicated a highly important guideline in further expanding the revolutionary struggle in the homeland, strengthening and developing the Korean revolution on a mass foundation by awakening and organizing the broad masses and intensifying the activities of the political underground workers and underground revolutionaries at home, on the basis of a scientific analysis of the prevailing situation.

A North Hamgyong provincial meeting was held on the spot Friday to commemorate the 60th anniversary of the historical political training course in Paksokkol.

Daily Stresses Popular Masses' Political Role

SK2208122993 Pyongyang Korean Central Broadcasting Network in Korean 0025 GMT 22 Aug 93

[NODONG SINMUN 22 August special article: "The Popular Masses Are Masters of Politics in Our Society"]

[Text] In his immortal classic work "Abuses of Socialism are Intolerable," the dear leader Comrade Kim Chong-il scientifically explained the idea that socialist politics is the politics of the people that can be conducted by the popular masses; and that the masses must be, first of all, masters of politics in order to become masters of everything.

The dear leader Comrade Kim Chong-il has said: To become masters of everything the popular masses must become, first of all, masters of politics. They can enjoy all their social life befitting masters only if they become masters of politics.

Politics play a decisive role in social life. The kinds of politics determine the destiny of the country and nation. When progressive and advanced politics are conducted, the country and nation can be rich and society can develop. On the other hand, when reactionary and conservative politics are conducted, the country and nation can fall into extreme misery and suffer all kinds of social ills.

Because of this, the working popular masses have for a very long time called for true politics for the people, and not for politics as a means of satisfying the interests of some special class. True politics for the people is now being carried out in the popular mass-centered socialism

of our own style under the wise leadership of the party and the leader. The popular masses are becoming masters of politics there.

In socialism of our own style, politics is above all becoming the politics of the popular masses and for the popular masses. The decision of a political purpose is a basic factor in determining politics for whom it is intended. Originally, politics derived from the requirement of the social collective life. Politics needs the existence of the social group and to develop a society.

Politics is a social function that links individuals to the social group, and that commands and manages a society in a unified manner. Without politics, people's collective and common lives cannot exist nor can a society be maintained or developed. Therefore, politics exist in all societies.

The function and role of politics are not the same because they exist in all societies. The goal and character of politics can be changed according to the social system. Because politics is a social function that organizes and commands the activities of people in a unified manner, in conformity with the joint interest of the class as well as society, the social position and role of people can be defined in accordance with the nature of politics.

In essence, politics in an exploiting society is aimed at guaranteeing the domination of the exploiting class. On the other hand, the working popular masses can be the subject of politics.

In a capitalist society, the goal of politics is to suppress and exploit the popular masses. Also, the people's daily activities are conducted spontaneously. In a socialist society, however, the popular masses, as masters of politics, organize and carry out all social life in a unified manner. This is because the basic goal of politics is conducted for the sake of the popular masses.

Today true politics is being conducted for the people in a socialist society of our own style thanks to the wise leadership of our party. The basic goal of the political activities of our party is to lead the popular masses to enjoy their rewarding and happy life by establishing a large harmonious and united home.

Political ideology—political faith—of our party is to make politics serve the people, regarding the popular masses as masters of politics. The slogan "Serve the People" has been brilliantly embodied in carrying out our revolution. It has enabled the popular masses to excellently fulfill their duty and role as masters of politics.

Under our style of socialism, the position and role of popular masses as the masters of politics are thoroughly guaranteed by political organizations including the party and government.

It is not true that even if the socialist system is established, the popular masses can be the masters of politics by themselves.

For the popular masses to become genuine masters of politics, they should have political organizations that can represent their will and interest.

Politics are to be implemented through a certain form of political organization. Politics have a function to define the people's position and role in conformity with the joint interest of the class and society and to organize and command the people's activities in a unified manner. Accordingly, for politics to carry out this function, politics should depend on a certain political organization without fail.

The representative of will and interest of the popular masses in socialist society is the party and popular government of the working class. The party of the working class in socialist society is the supreme political organization and the government is a most comprehensive [kajang pogwalchogin] political organization.

The party of the working class is a leading political organization of society. The party of the working class represents the joint demand of social groups and society, including the working class, cooperative peasants and intellectuals, and struggles to realize it.

Under the party's leadership, political activities of the working class and working popular masses are to proceed and the revolution and construction are to advance.

The party of the working class is to carry out political guidance over all fields of the state and social life as the political staff office and to vigorously inspire the popular masses to accomplish the cause of independence.

The sovereignty of the state is the right for political domination [chongchijok chibaekwon] and is a basic factor defining the position and role of the people. The independent right of the people is to be expressed intensively in the sovereignty of the state. Therefore, for the working popular masses to completely realize the independence of the working popular masses, they should become, first of all, the masters of the regime [chongkwon].

The socialist regime is to carry out the function to manage independent and creative activities of the popular masses, who became the masters of society, and all domains of society in a unified manner.

When the popular masses exercise political rights by seizing the sovereignty in their hands, they can become genuine masters of the state and society. The position and role of the popular masses as the masters of the state and society in socialist society are to be guaranteed by the party and government of the working class.

Today in our country, the chuche-type revolutionary party and the popular government represent our people's will and interest.

Our party, which takes the chuche idea as a firm guideline, became a great motherly party which leads the people by bearing full responsibility for their destiny.

Our popular government has become a genuine loyal servant [chungbok] of the people.

The dear leader Comrade Kim Chong-il elucidated the idea for political organizations, including the party and the state, to realize satisfactorily the people's will and interest. He is wisely leading this idea. As a result, our people are freely exercising their independent rights enjoying a rewarding life amid attentive care by the party and the state.

The socialist political method has been established in the socialism of our own style, so that the politics for the people has been brilliantly embodied.

The political organizations in the socialist society are the representatives of the popular masses' opinions and interests. Thus, the political organizations of the socialist society should act according to the political method which conforms to their inherent nature. Creating a political method which conforms to the inherent nature of the socialist society is a basic demand for realizing the people-minded politics.

The historical experiences of the international communist movement show the important lesson that, even though there exist the working class' party and socialist regime, if a socialist political method is not established, the popular masses will deviate from the party and the state, they will not be able to exercise their right as the genuine masters of politics, and they will not be genuine masters of the state and society.

Socialism was frustrated in some countries which had tried to construct socialism. One of the basic reasons was that the countries did not pay due attention to establishing the people-minded political method which conforms to the inherent demand of the socialist society; also, they followed the political method of an antiquated society, and the work to manage the state and society became only some people's work, which was quite alien to the popular masses.

The road to socialism is an untrodden path. Creating the specific political method of socialism is a very difficult and complex work. In the past, some countries, which tried to construct socialism, ignored this issue, adhering to an antiquated theory. Accordingly, they failed to resolve the issue of newly creating the political method which conforms to the inherent nature of socialism. As a result, considerable remnants of the antiquated society's political method were revived.

One of the important basic contents of the working class' party and the socialist regime is that they are servants for the people. Only when the working class' party and the socialism regime firmly adhere to the position that they are servants for the people can the class struggle and political-power exercise be carried out according to the popular masses' demand for independence.

The essence and superiority of the working class' party and regime lie in the fact that they are servants of the people. This is basically different from the exploiting class' party and regime.

Our party has vigorously struggled to establish the political method which conforms to the inherent nature of socialism. Our party has seen to it that the party and the regime should be constructed based on the mission of the people's servants. Our party has also seen to it that the struggle to eliminate the antiquated work method and style and to establish the revolutionary work style and people-minded work style should be vigorously waged.

The method on the activity of the party and the state and the art on leading the masses, which the dear leader Comrade Kim Chong-il has elucidated, have been the scientific method to ensure the popular masses' independent and conscious activities.

The political work has been put before all work in our country according to our party's wise leadership. All issues arising in revolution and construction have been resolved through a political method.

Today, our people have endlessly trusted the party and the leader and have vigorously fought along the road directed by the party.

Upholding the slogan, what the party decides we will carry out, our people have fought through thick and thin for implementing the party's line and policy. This clearly proves that our people have brilliantly carried out their roles as the masters of the politics.

Our people have taken a great pride and confidence in being the masters of the state and society. They are overflowing with the firm resolution to bring into full play the socialism of our own style by smashing all kinds of challenges by the imperialists and reactionaries.

Further on Popular Masses

*SK2308050393 Pyongyang KCNA in English 0431
GMT 23 Aug 93*

["Popular Masses Are Master of Politics in Our Society"—KCNA headline]

[Text] Pyongyang, August 23 (KCNA)—True politics for the people is in force and the popular masses are the master of politics under our style socialism centred on the popular masses, stresses NODONG SINMUN August 22.

The signed article reads in part:

Politics is, above all, politics of the popular masses and politics for them under socialism of our style.

Our party regards it as the fundamental purpose of its political activities to make sure that the popular masses form a great harmonious and united family and all of them live a worthy and happy life. The political idea and political faith of our party is that the popular masses

should be regarded as the master of politics and politics should serve the people. The slogan "We serve the people!" is brilliantly applied to the practice of our revolution to the full and it makes the popular masses steadfastly maintain the position and role as the masters of politics.

The position and role of the popular masses as the masters of politics are also strictly guaranteed by political organisations including the party and power bodies under socialism of our style.

Our party that regards the *chuche* idea as its immovable guideline is called the great mother party which leads the people with full responsibility for their destiny and our people's power is a true servant of the people. In our country, therefore, the people exercise their independent rights to the full and lead a worthy life under the meticulous care of the party and the state.

The socialist mode of politics established under our style socialism guarantees the successful application of politics for the people.

In our country political work is placed before all other work and all the problems arising in the revolution and construction are solved by political method under the wise leadership of our party. Our people are fighting through fire and water to implement the party's line and policies under the slogan "If the party is determined, we can do anything!" and this is a clear proof that they are properly playing their role as the masters of politics.

KCNA Describes War Monument's Sculpture

SK2008231293 Pyongyang KCNA in English 2153 GMT 20 Aug 93

["Group Sculpture 'River-crossing Battle on the Nak-tong'"—KCNA headline]

[Text] Pyongyang, August 20 (KCNA)—The group sculpture of a subsidiary theme "River-crossing Battle on the Nakdong" is the first one on the right side beyond the gate of the monument to the victory in the Fatherland Liberation War.

This bronze sculpture shows the crossing of River Nakdong, one of the fiercest battles in the Fatherland Liberation War.

Placed on a granite foundation stone 9 metres long and 3.3 metres wide, the sculpture represents heroic looks of a People's Army soldier crossing the river on a raft, flying the flag of the Republic, a heavy machine-gunner firing at the enemy, a commander pressing toward the enemy with a rifle and a handgrenade in his hands, a light machine-gunner firing at the enemy planes and a People's Army soldier pushing forward the raft with a pole.

It was really a fierce battle through raging flames.

The enemy who was jammed into a narrow area south-east of the river by the advancing People's Army massed forces more than 300,000 strong on the other side of the river and turned the river into a sea of flames with bombing and artillery fire.

People's Army soldiers with matchless grit and indomitable spirit crossed the river in one night through hails of bullets and shells when the water of the river was aboil in flames under heavy bombing and dealt a crushing blow at the enemy.

It was, indeed, a battle which demonstrated the indomitable revolutionary spirit and mass heroism displayed by People's Army soldiers who fought courageously, dedicating their youth and lives to defend the dignity and honor of the Republic and a heroic epic which will shine long in the history of the country.

The sculpture inspires the Korean people who are dynamically advancing to accomplish the cause of socialism in the spirit in which People's Army soldiers crossed River Nakdong.

South Korea

YONHAP Reports Gallucci's Upcoming Visit

SK2108031593 Seoul YONHAP in English 0255 GMT 21 Aug 93

[Text] Seoul, Aug. 21 (YONHAP)—Robert Gallucci, chief U.S. delegate to the nuclear talks with North Korea, will come to Seoul next week for bilateral consultations before the next round of Washington-Pyongyang meetings, an official said Saturday [21 August].

Gallucci is set to meet with Unification Minister Han Wan-sang and Foreign Minister Han Sung-chu to set the direction of the talks and discuss the timing and method of inter-Korean contact, the official said.

The visit by Gallucci, assistant secretary of state, who represented Washington at the past two rounds of talks with North Korea, coincides with the imminent entry of an International Atomic Energy Agency (IAEA) inspection team to Pyongyang to discuss access to two key suspected nuclear sites.

The IAEA team is said to be waiting for visas from Pyongyang and likely to enter within days.

Seoul and Washington are most likely to reconfirm that North Korea has to talk with both the IAEA and with South Korea before the United States agrees to further meetings with Pyongyang.

Seoul had said it will not insist on "special inspection" per se on the two suspected North Korean sites as long as the IAEA is guaranteed the same results as a special inspection through other means.

The official said the government will coordinate views on this point during Gallucci's visit.

Coordination will also be on the timing and method of inter-Korean contact, the official said.

North Korea reacted negatively to South Korea's recent proposal to reactivate the Joint Nuclear Control Commission.

Media Interview PRC Envoy To Commemorate Ties

On North Korean Nuclear Issue

*SK2108011693 Seoul YONHAP in English 0058 GMT
21 Aug 93*

[Text] Seoul, Aug. 21 (YONHAP)—International Atomic Energy Agency (IAEA) inspectors are expected to enter North Korea within days, Chinese Ambassador to Seoul Zhang Tingyan said Saturday [21 August].

"The IAEA team is waiting for visas to enter Pyongyang," Zhang told YONHAP in an interview commemorating the first anniversary of Seoul-Beijing diplomatic normalization Aug. 24, adding that he was optimistic about ongoing negotiations on North Korea's nuclear issue.

"North Korea and the United States already met twice and are preparing for a third round. Prospects are quite bright," Zhang said.

The fledgling relations between the former war foes were tested over North Korea's nuclear problem as it was put to a U.N. Security Council resolution. After months of tugging, China abstained from the May 11 vote on the resolution demanding Pyongyang stay in the Nuclear Nonproliferation Treaty and comply with IAEA safeguards accord.

"Beijing's policy toward the Korean peninsula has consistently targeted stability and easing of tension. We put in a lot of effort for this goal and will continue with constructive efforts in the future," he said.

China took interest in North Korea's nuclear problem from the start and held negotiations with South Korea and other involved nations.

"It is our wish to see lessening of tension, without any incidents or accidents," he said.

Looking back over the past year in Seoul-Beijing ties, the envoy called the buildup of political trust the major harvest.

"The relations were beneficial to peace and stability in Northeast Asia. The two countries built political trust through dialogue and negotiations and cooperated well at international level," he said.

Inter-Korean problems should be left up to Seoul and Pyongyang to solve, he told YONHAP.

"We hope to see South and North Korea improve their relations through direct dialogue," the ambassador said.

On widespread rumors that paramount leader Deng Xiaoping's health is failing, Zhang said that such reports were "completely groundless."

The chances of Chinese President Jiang Zemin visiting Seoul this year are nill, he said, because a tight domestic schedule prevents him from going on any overseas trip.

Beijing will attend the Asia Pacific Economic Cooperation (APEC) summit in November if the representation issue is agreed on by the three Chinas—Hong Kong, Taiwan and China.

No decision has been made on who will attend the summit for Beijing, said Zhang.

On Bilateral Cooperation

*SK2308083293 Seoul YONHAP in English 0809 GMT
23 Aug 93*

[Text] Beijing, Aug. 23 (YONHAP)—South Korean Ambassador to China Hwang Pyong-tae said Monday that he expects bilateral economic cooperation to be a major issue in relations with China as the two countries will have to cooperate with each other in the economic arena more than ever before.

"South Korea and China now have no reason to turn their backs on each other for ideological problems. They have placed political and diplomatic relations on the right track in only a year despite the fact that they had had no relations for more than 40 years. Now is the time to focus on economic cooperation," Hwang told YONHAP in an interview a day before the first anniversary of diplomatic normalization.

Close relations between China and North Korea could be good for the cause of peace on the Korean peninsula, he said.

On July 27, China sent a high-level delegation from both the party and the government, led by politburo standing committee member Hu Jintao, to Pyongyang for the 40th anniversary of the armistice agreement, showing its close relations with North Korea.

"We don't have to see close relations between China and North Korea negatively. China's close relations with North Korea could be good for the peace and stability of the Korean peninsula, given that North Korea is suffering from many difficulties, including lack of food and a nuclear problem," Hwang said.

China's policy for reunification of the Korean peninsula is denuclearization and inter-Korean dialogue, and it has helped realize high-level North Korea-U.S. talks and dialogue between Pyongyang and the International Atomic Energy Agency (IAEA), he added.

"North Korea will discard the 'nuclear card' from its hand at some point in time. You can say that if you see that North Korea is showing signs of trying to bring a better relationship with the United States," Hwang said.

"Besides, North Korea has begun to highly rate the reform and opening of China."

He did not elaborate on the conditions for North Korea to discard the nuclear card.

Hwang said Chinese President Jiang Zemin was unlikely to visit South Korea before the end of this year.

"I'm discussing the matter with the Chinese side, but the presidents of the two nations are too busy this year. I expect Jiang will be able to visit Seoul early next year, and then President Kim Yong-sam's visit to China will be possible," he said.

Russian Official To Market Weapons to ROK

SK2208025493 Seoul TONG-A ILBO in Korean 22 Aug 93 p 1

[By Moscow-based correspondent Chang Haeng-hun]

[Text] Aleksandr Shokhin, Russian deputy chairman of the Council of Ministers for External Economic Affairs, on 20 August revealed that he will officially propose to the ROK that it buy Russian-made defensive weapons, including anti-aircraft missile systems and jet-fighters.

Deputy Chairman Shokhin, who is also chairman of the Russian Military Technology Commission, said he plans to convey this proposal directly to President Kim Yong-sam.

He noted that Russia will in the future make efforts to export to the ROK ultramodern technology instead of raw materials.

Deputy Chairman Shokhin is scheduled to visit the ROK on 22 August to attend the Taejon EXPO and to discuss the issue of the ROK-Russia Joint Economy and Science Committee talks. Prior to his departure, he granted an exclusive interview to TONG-A ILBO in his Kremlin office.

In connection with the plan to export Russian-made weapons to the ROK, Deputy Chairman Shokhin noted that this plan is "a very delicate issue because the ROK imports U.S.-made weapons." However, he stressed that "there is no need for the ROK to reject completely U.S.-made weapons. The ROK's political decision is necessary for accepting the presence of the two weapon-exporting countries."

He pointed out that this issue will facilitate the solution of the financial problems existing between the two countries, and suggested that the payment for exported weapons can be made with the interest of loans offered by the ROK to Russia as economic cooperation funds. Russia recently suspended payments of their interest.

Regarding the payment of the interest of ROK's economic cooperation funds offered to Russia, he said that with the decision of the Paris Club which stipulates "equal treatment of all creditor nations," it is difficult to

pay only to the ROK first. He stated: "However, during my stay here I intend to discuss with the ROK Government practical ways to deal with this."

He also pointed out that "the ROK and Russia are actively pushing ahead with economic cooperation projects, including the plan for building a natural gas transport pipe in the Yakutsk District in Russia." He stated that if the gas transport pipeline is linked to the ROK, going through North Korea, this will contribute to the establishment of new relations among the ROK, North Korea, and Russia.

Official Gives News Conference

SK2308081193 Seoul YONHAP in English 0751 GMT 23 Aug 93

[Text] Taejon, South Korea, Aug. 23 (YONHAP)—Russian Deputy Prime Minister Alexander Shokhin said Monday that he would propose a new principle to pay the interest on loans from South Korea that Russia has been unable to repay.

The new principle is not just delaying payment, but changing the terms of servicing, he told a news conference at the Russian pavilion at the Taejon Expo.

Russia agreed on the way to pay interest with the Paris Club, a group of creditors from 19 Western countries, and hopes Korea will agree on the similar terms. The Paris Club accord prohibits other nations from granting Moscow better terms, he said.

He suggested that the problem of paying interest will be solved by Seoul's accepting fighter planes and missiles in lieu of cash.

Russian Vice Foreign Minister Kunadze To Visit

SK2308011693 Seoul YONHAP in English 0000 GMT 23 Aug 93

[Text] Seoul, Aug. 23 (YONHAP)—Russian Vice Foreign Minister Georgiy Kunadze will arrive in Seoul over the weekend for talks with his Korean counterpart, Hong Sun-yong, on return of the former Russian legation site and other pending issues, informed diplomatic sources said Monday [23 August].

Kunadze's visit comes as the two countries are scheduled to hold a working-level conference for about a week from Tuesday in Moscow on problems related to the former Russian legation in Chong-tong, in the heart of Seoul, the sources said.

There is speculation that the two countries are nearing some kind of a compromise on the legation site issue as Kunadze's visit appears to be following the Moscow meeting.

Moscow occupied the site during the Japanese colonial rule but withdrew in 1946 and the Seoul government nationalized it in 1970. The new Russian Government

claims that the property was diplomatic premises and that Seoul breached international laws by nationalizing it.

One Foreign Ministry official said that in addition to the legation site, Kunadze and Hong will also discuss the question of possible Russian compensation for the victims of Korean Air Lines (KAL) Flight 007, which was shot down by a Soviet fighter over Sakhalin on Sept. 1, 1983, killing all 269 passengers and crew.

Kunadze will also call on Foreign Minister Han Sung-chu.

Trade Minister Receives New Zealand Counterpart

SK2308020493 Seoul YONHAP in English 0116 GMT 23 Aug 93

[Text] Seoul, Aug. 23 (YONHAP)—South Korean Trade, Industry and Energy Minister Kim Chol-su met with Philip Burdon, New Zealand Trade Negotiations Minister, on Monday [23 August] to exchange views on promoting bilateral trade and investment.

Kim asked his counterpart to reduce tariffs on Korea's major export goods, including footwear, garments and automobiles.

Burdon, visiting to attend the New Zealand national day at Taejon Expo on Tuesday, promised to reduce tariffs on footwear by early 1996 and on automobiles by early next year.

Korea's exports to New Zealand reached 57 million U.S. dollars in the first half of this year, while its imports amounted to 280 million dollars.

Last year, Korea had exports to and imports from New Zealand of 113 million dollars and 488 million dollars, respectively.

Unification Board Reports on North's Economy

On North's Foreign Contracts

SK2008121593 Seoul CHUNGANG ILBO in Korean 20 Aug 93

[Received via Chollian database]

[Text] North Korea has signed 16 economic agreements with foreign countries during the first half of this year compared to 19 agreements signed in 1992.

The National Unification Board [NUB] said on 20 August that North Korea has signed economic agreements, including an Agreement on Scientific Technology and Economic Cooperation with Cuba. North Korea has mainly signed agreements with countries from the former socialist sphere and Middle East sphere, including Cuba, Bulgaria, the Ukraine, Syria, and Iran this past March.

The number of agreements, which North Korea signed with the PRC, its largest trade partner, during the first half of this year was limited to one: the protocol on cooperation for international river navigation with China. North Korea emphasizes trade with PRC border frontier provinces, such as Jilin Province, instead of economic cooperation between the two central governments.

North Korea attempted to sign agreements with countries including Libya and Venezuela to solve the oil shortage problem but was unsuccessful.

An NUB official said: "North Korea has been somewhat unsuccessful in concluding the agreements on economic cooperation during the first half of this year possibly because North Korea's nuclear issue surfaced as an international issue and thus the conditions for cooperation with foreign countries became worse.

On Rice Production

SK2108090093 Seoul YONHAP in English 0823 GMT 21 Aug 93

[Text] Seoul, Aug. 21 (YONHAP)—North Korea's rice production fell from 4.81 million tons in 1990 to 4.42 million tons in 1991 and further to 4.26 million tons last year, according to the National Unification Board.

As a result, the Communist country suffered a food shortage of 1.25 million tons in 1992.

In 1993, North Korea's rice production is expected to be at last year's level, sustaining a shortage of 2.34 million tons against the demand estimated at 6.85 million tons.

The NUB blamed collective farming, shortages of fertilizer and pesticide and poor agricultural policy for the reduced rice production in North Korea.

Samsung Plans To Use North Korean Labor

SK2308030593 Seoul YONHAP in English 0219 GMT 23 Aug 93

[Text] Seoul, Aug. 23 (YONHAP)—Consignment processing trade with North Korea is limited to basic low-cost goods, but is likely to be sophisticated in the future.

Samsung Co. said Monday [23 August] that it is the first South Korean company to consign its North Korean partner the cutting, making, and trimming of 1,900 high-class men's woolen suits for this autumn.

The suits, consigned to a sewing factory near Pyongyang, will cost between 150,000 won and 180,000 won each in South Korean stores.

South Korean companies previously depended on North Korean sewing only for bags and suits that didn't require skill, a Samsung spokesman said.

With low labor costs and high quality needlework, North Korea already dominates the high-class apparel market in Japan through consignment trade with pro-Pyongyang Japanese firms and exports are up due to the strong Japanese currency.

Inter-Korean processing trade was limited to basic work on a test level, but can now move up to the high-cost standard with the recognized North Korean skills, the spokesman said.

Consignment processing was worth 374,000 U.S. dollars last year, but grew to 2.19 million dollars in the first seven months of this year.

Editorial on Government 'Inconsistency' on North
SK2108083593 Seoul HANGYORE SINMUN in Korean
21 Aug 93 p 2

[Editorial: "There Are Many Problems in the Policy for North-South Dialogue"]

[Text] We hear that North Korea will resume discussions with the International Atomic Energy Agency [IAEA] in Pyongyang early next month. At the same time, the government decided, at the unification-related ministers' meeting 18 August, to push ahead with North-South dialogue from a positive stance if North Korea resumes negotiations with the IAEA for nuclear inspections. This seems to be a sign that the cross bar that has locked the North-South dialogue for quite some time is now being lifted. However, the North Korean attitude remains still rigid, leading us to doubt whether North-South dialogue will begin very soon. On 4 August, the South Korean side proposed to the North Korean side to hold a joint nuclear control committee meeting, but the North side virtually rejected it, criticizing the South side's attitude for dialogue. The North Korean side simply reiterated the need for the exchange of special envoys. The North Korean side put forward three conditions; namely, suspension of the Team Spirit exercise and the Ulchi Focus Lens exercise, abandonment of the cooperative system among the ROK, the United States, and Japan in dealing with the North Korean nuclear issue, and allowing the pannational rally to be held, as prerequisites for the resumption of dialogue. The pannational rally is no longer a precondition because 15 August, the day set for the rally, has now passed. The only remaining precondition, if any, is the Ulchi exercise.

The Team Spirit exercise will depend upon the situation on the Korean peninsula next year; the North Korean assertion against the cooperative system among the ROK, the United States, and Japan is largely motivated for a political offensive in view of the ongoing North Korean-U.S. negotiations, posing no significant stumbling block to the resumption of North-South dialogue. Therefore, many observers are of the opinion that the atmosphere for North-South dialogue will be ripe in September.

For the promotion of North-South dialogue, and, further, for the alleviation of tension on the Korean peninsula, we would like to urge the government to straighten its attitude. First, we urge the government to maintain consistency in its policy for North-South dialogue. We hope that the government will refrain from the inconsistency of putting forward harder preconditions for North-South dialogue, then loosening the preconditions, then removing the preconditions, and then adding to the preconditions.

The government provoked North Korea, saying that the South cannot engage in dialogue unless the North Korean nuclear issue is resolved and that the South cannot shake hands with the North as long as the North has nuclear weapons. The South authorities also said that they cannot engage in dialogue with the North unless the deadline for the nuclear inspection is set. When North Korea rejected the proposal for the resumption of the joint nuclear control committee, a high-ranking government official said, "now there is only a whipping for them." All this contributed to hurting the credibility of the government. Second, not trusting the North Korea-U.S. talks and the visit to Yongbyon by the IAEA inspection team, the government complained about them, revealing its narrow-mindedness. While the government downgraded the IAEA's one-week ad hoc inspection beginning 3 August, describing it as "for technical purposes," the United States described it as a "considerable success" from the standpoint of ensuring continuity of safety measures. In the meantime, another government official, UN Ambassador Yu Chong-ha, in an interview upon returning home, said that the North Korea-U.S. talks have so far received generally positive responses from the major states, adding that the North Korean-U.S. talks have been progressing in the right direction. He confirmed that North Korea has not produced plutonium, which is the material used to produce nuclear weapons, since it started talks with the United States last June.

Next, we cannot understand why the government should so frequently mention the triangular cooperative system among the ROK, the United States, and Japan in dealing with the North Korean nuclear issue. Why should the government mention cooperation with Japan, to which North Korea shows such an allergic reaction? This is the reason why the government is criticized for not being independent. Finally, what is the use of the government's frequent remarks that sanctions are inevitable if the North does such and such? We hope that the government will straighten its attitude with a deep breath. We urge the government to act more prudently with proper coordination among the government departments.

Minister on People's Reunification Efforts

SK1808121393 Seoul CHOSON ILBO in Korean
18 Aug 93 p 4

[Article by reporter An Hui-chang from "News Behind News" column entitled: "The Decision of Judiciary Authorities Should Be Accepted"]

[Text] The third reunification advisers' conference was held in the office of secretariat of North-South talks in Samchong-tong on 17 August. At this conference, Han Wan-sang, vice prime minister and unification minister, said that "the reunification movement by civilians should be carried out with the people's support." He added that "some circles within the National Alliance for the Country's Reunification [Pomminnyon] contend that now is the time to disband Pomminnyon," thus attracting the people's attention.

At the meeting, adviser Yi Chae-hyo (co-chairwomen of the Committee for Measures for the Korean Comfort Women Issue) asked Vice Minister Han "why did the government differentiate between the pannational rally and the human chain-linking movement." In response, Vice Prime Minister Han explained that "the judiciary authorities have already decided that the Pomminnyon is an organization that benefits the enemy. Therefore, the administration cannot overturn this decision."

The participants exchanged views on the people's desire for reunification expressed during the North-South human chain-linking movement held on 15 August. Adviser Kim Yong-sok (chairman of Chohung Stock Company) noted that "in spite of the implementation of the real-name financial transaction system, the amount of deposits in 'the reunification funds' is continuously increasing instead of decreasing."

Group Protests Article on Unification Minister

*SK1708121893 Seoul YONHAP in English 1201 GMT
17 Aug 93*

[Text] Seoul, Aug. 17 (YONHAP)—The MONTHLY CHOSON published by the CHOSON ILBO Co. on Tuesday [17 August] incurred a protest by a group of sociologists who claimed an article appearing in the magazine's August issue unfoundedly criticized Han Wan-sang, a sociologist and presently deputy prime minister and national unification minister.

The article at issue was entitled "Han Wan-sang's shocking view of North Korea: Problematic papers and remarks of National Unification Minister Han Wan-sang."

A statement signed by Kim Chin-kyun, a professor of Seoul National University, and 40 other sociologists complained the magazine's article highly distorted Han Wan-sang's academic stance and had the intent of attacking Han ideologically.

In the statement called "a group of sociology professors protesting the article on Han Wan-sang's shocking view of North Korea," they demanded the magazine make a formal apology.

The article, quoting unidentified experts, said Han's past papers indicated his view of the Korean war was close to the revisionistic doctrine, and revealed a logic of defending North Korea.

After he became a deputy premier, it went on to say, Han took steps to repatriate Yi In-mo, a self-styled North Korean war correspondent caught in the South as a guerrilla fighter during the Korean war, to North Korea on the ground of humanitarianism while refusing to make an issue of North Korea's human rights situation, the CHOSON article said.

Retorting the article, the statement said its writer unfoundedly branded Han's past papers as "leftistic" without regard to the overall context of the papers.

"The article maliciously sought to make an ideological attack on Han while branding as radical and biased the academic effort of the Korea sociology society trying to shed light on the social consequence of the Korean war," the statement said.

They said it ought to be ethically condemned that the writer used part of interviews he had with some unidentified experts of a government-financed institute in slandering a specific individual.

Asserting that the article was not unrelated to the attitude of the daily CHOSON ILBO trying to defend the position of those forces with vested rights by attacking minister Han, the statement urged the newspaper to stop trying to obstruct a new progress in unification policies.

Army Reforms Officers' Promotion Process

*SK2108025593 Seoul YONHAP in English 0230 GMT
21 Aug 93*

[Text] Seoul, Aug. 21 (YONHAP)—The Army has selected 900 out of 4,024 candidates for promotion to the rank of major and disclosed the selection process for the first time in its history.

The selection process announced Friday [20 August] involves the panel of judges, composition of the panel, standards for the formation of the panel, norms for promotion and an analysis of the result of the selection, officials said Saturday.

What was most noteworthy was the elimination from the panel's consideration for promotion of all 11 members of the "Let's Know Each Other Society (Alja-hoe)," a private organization formed among graduates of the Korean Military Academy (KMA).

Private officers fraternity clubs such as Alja-hoe and Hana-hoe have been controversial as many of their members, including former Presidents Chon Tu-hwan and No Tae-u, meddled in the nation's politics. Since the inauguration of the civilian government of President Kim Yong-sam in February, all private clubs in the military were ordered disbanded.

Chairman of the panel, Maj. Gen. Yi Tae-u, said the panel studied the qualifications of more than 4,000 candidates in the past two weeks and checked their records thoroughly.

Standards the panel used in its judging were the candidates' ability and objective evaluation as well as records since getting their commission, Yi said.

The Army decided early last month to introduce a reform to its promotion processes and introduced a four-stage deliberation. In order to maintain a high level of fairness and objectivity, the panel decided early this month to invite heads of the branches of the Army to take their opinions in its deliberation.

Meanwhile, the ratio of KMA to non-KMA graduates on the panel was changed to 40-to-60 from 70-to-30, and the ratio of panel members from units directly controlled by army headquarters to those from units in the field was changed to 10-to-90 from 45-to-55.

Members of the panel, mainly Infantry officers in the past, were evenly distributed among branches of the Army with six from Infantry, two from Artillery, and one each from Armored Division, Army Engineering, Signal Corps and Aviation. In the past, Infantry was represented by 12, Artillery by two, and Engineering by one.

The Army plans to systematize this practice for the promotion processes for all officer ranks.

Defense Ministry Plans Army Reorganization

*SK2308095593 Seoul CHOSON ILBO in Korean
23 Aug 93 p 31*

[Text] The National Defense Ministry has decided to drastically reorganize the organization of ROK Army combat units beginning next year. The reorganization is to sharply reduce the number strength of infantry divisions from the present 12,000 to 15,000 to the level of 10,000 and, instead, further strengthen the divisions' firepower, including that of tank, artillery, and helicopter units.

The planned reorganization of ROK Army combat units, to be conducted for the first time since the founding of the ROK Armed Forces, is said to be a first step to change the ROK Army's combat power structure from the traditionally maintained present "U.S. type" to an "ROK type" in preparation for North-South reunification in the future.

The National Defense Ministry's decision to reorganize the infantry division, which has been operated so far with primary emphasis on numbers strength, into the system of emphasizing firepower and mobility is based on the analysis that the infantry division has a greater numbers strength compared to its firepower and that the present size and composition of the infantry division, which is the core of the ROK Army's combat capability, is not suitable to our realities.

Because considerable progress has been made thus far in the Yulgok project and our Army's firepower has consequently been greatly strengthened, the National Defense Ministry has reportedly decided to reorganize the organization of the divisions of the ROK Army.

At present, the fixed number strength of an infantry division is 12,000-15,000. However, the division's actual number strength which adds subordinate units has been at the level of 11,000-13,000.

In connection with this, a high-ranking official at the National Defense Ministry said that "the ministry and the ROK Army have been pushing ahead with the work of Koreanizing the Army's table of Army organizations and its operational plans and doctrines for one decade" and that "the size and composition of the ROK infantry divisions which have been based on the U.S.-type table of organizations will be drastically reorganized into 'ROK-type' ones in the future."

Kim Yong-sam on Election Finance System Reform

*SK2308081693 Seoul YONHAP in English 0759 GMT
23 Aug 93*

[Text] Seoul, Aug. 23 (YONHAP)—President Kim Yong-sam said Monday that the nation's election system must be reformed so that qualified persons without money can become candidates for elected office.

Kim spoke at a meeting with 79 heads of local chapters of the ruling Democratic Liberal Party who are not representatives in the National Assembly.

"If we are to realize clean politics, we will have to cut off the circle of collusion between politicians and big businessmen," Kim said. "The past practice of electioneering has to be changed."

"Political parties are currently discussing the election law from a new angle," he said. "The best model for our efforts to revise the election law has to be that of Britain."

Kim noted that money had played a big role in Britain, as it does now in this country, but that from the end of the 19th century, the election custom had completely changed with the adoption of the law against the violation of elections.

"In Britain, only about the equivalent of 8 million won is allowed (for a candidate) to use," Kim said. "There, people without money can run for public office and members of parliament do not have to worry about their preparations for the next election."

"Unless we change, we cannot join the ranks of the advanced countries," he said.

The real-name financial system, which is being carried out under a national consensus, is the "reform of all reforms," Kim declared, adding that the system is aimed at reforming not only the nation's economy but politics.

Board Waits for Former Presidents To Respond

*SK2108130193 Seoul YONHAP in English 1212 GMT
21 Aug 93*

[Text] Seoul, Aug. 21 (YONHAP)—The Board of Audit and Inspection (BAI) will prosecute former presidents Chon Tu-hwan and No Tae-u if they refuse to answer its questionnaires in connection with the peace dam and the Yulgok military modernization plan, a BAI spokesman said over the weekend.

Should they fail to answer by the Aug. 23 and 24 deadlines, the BAI would urge them to answer as soon as possible, and should they give insincere replies the BAI would send them the questionnaires again, he said.

But if they do refuse to answer, they will be prosecuted for having refused to receive BAI investigations under the BAI law, he added.

Under the law, anyone refusing to undergo BAI inspections or to submit BAI-requested material is subject to a fine of less than 100,000 won or a prison term of less than one year.

Democratic Party Urges Different Train Choice

*SK2008122193 Seoul YONHAP in English 1110 GMT
20 Aug 93*

[Text] Seoul, Aug. 20 (YONHAP)—The opposition Democratic Party on Friday asked the government to retract its selection of France's TGV [Train a Grande Vitesse] as the model of trainsets for a project Seoul-Pusan high-speed railway and use instead Maglev (magnetically levitated) trains later.

In a position paper released by Kim Pyong-o, the party's Policy Committee chairman, the party claimed that the wheeled trainsets just chosen by the government would be rendered a mere scrap in 10 years when the planned railway is completed.

The opposition party said the government should therefore use Maglev trainsets in later years, noting that Hyundai Precision Industries and Daewoo Heavy Industries Cos. successfully developed Maglev trainsets able to run at 150km per hour toward the end of last year.

It said that in five years, Maglev trains that can dash at more than 300km an hour can be developed and put to practical use.

The Democratic Party said that in view of the present economic condition and the priority order of financial investment, it is not reasonable to promote a mammoth project like the Seoul-Pusan high-speed railway at this time.

"Where the government should invest first to ease transportation problems is the question of urban traffic congestion and the expansion of the existing expressway and railroad between Seoul and Pusan," the party said.

Authority Announces Cost To Lay Railway Track

*SK2308020793 Seoul YONHAP in English 0113 GMT
23 Aug 93*

[Text] Seoul, Aug. 23 (YONHAP)—Korea will spend 1.18 trillion won (1.45 billion U.S. dollars) to build 1,015 kilometers of electrified railway track between next year and 2010 as feeder lines for the Seoul-Pusan high-speed railway, scheduled to open in 2001, the Korean National Railroad said Monday.

Work will begin in 1996 on 469km of Southwestern railway lines to link South and North Cholla Provinces with the high-speed system for completion in 2005 at a cost of 484 billion won.

Construction of the 144km section between Chonan, to be a stop for the high-speed trains, and Changhang, both in South Chungchong Province, will start in 1996 for completion in 2005.

The 88-km line through Taejon, Nonsan in South Chungchong, and Iri in North Cholla will be ready by 2000 and the 200-km electric network linking Iri, Chonju, Suncheon and Yosu of South Cholla will be worked on between 1998 and 2005.

The electric line running 398km between Taejon and Pusan will be constructed at a cost of 471 billion won.

The 73-km eastern Taegu, Yongchon and Kyonju line will be built between 2005 and 2010: 104-km Pusan, Masan and Chinhae, between 1997 and 2005; 73-km Taegu-Samlangjin, between 2000 and 2007; And 112-km Pusan-Kyongju, between 1994 and 1998.

The 88-km line between Taejon-Kimchon and 60-km between Kimchon and Chomchon in North Kyongsang Province will be ready between 2005 and 2010.

The 115-km section between Chochiwon and Pongyang and 33-km between Chonan and Chochiwon will be electrified from 1994 to 1998.

The high-speed lines between Chonan and Taejon and between Seoul and Taejon will be ready by 1997 and 1999, respectively, and a Seoul-Pusan commute will be possible after 2001.

Chongwadae Staffers Accused of Spreading Rumors

*SK2108041593 Seoul THE KOREA TIMES in English
21 Aug 93 p 16*

[By staff reporter Kim Chang-yong]

[Text] Chongwadae [presidential offices] staffers have now joined President Kim Yong-sam's surprise show.

Their reckless remarks are not only confusing people but also vexing businessmen at a time when the economy shows no sign of picking up despite their short-term and medium-term pump-priming measures, analysts say.

Already astonished by a series of the blitz actions by President Kim including his sweeping anticorruption drive, introduction of the real-name financial transaction system and disbandment of the Life group, businessmen and stock investors are dubious about the consistency of public policies.

Some even doubt whether the six-month-old administration, in which only a few in the top posts have public career, has the ability to run the state in a steady and smooth manner, push an economic recovery and stabilize society.

One great fuss came Thursday [19 August] when presidential spokesman Yi Kyong-sik said that an "interesting and important" briefing was scheduled for 4 p.m.

In the afternoon, he just disclosed that President Kim promised to cooperate in uncovering the truth behind the kidnapping of his longtime political colleague and foe Kim Tae-chung by intelligence agents from Japan in 1973 during the rule of military dictator Pak Chong-hui.

Yi, as he confessed, just intended to kid some Chongwadae correspondents who had reported his briefing on the timing to bare public the winner of a tripartite competition for a trainset of the much awaited Seoul-Pusan electric railroad before an embargo was lifted.

His notice would have been no more than a happening if it had come in a normal situation.

Yet the notice, preceded by the president's bombshell announcement of the real-name system a week earlier and other shock actions, fueled rumors that currency reform was looming large, generating other rumors, also, analysts pointed out.

The rumors were getting more concrete and some sources at the stock market, said that the Bank of Korea, the central bank, has prepared currency reform for a long time.

Other scuttlebutt put it that Yi's notice might concern a breakthrough idea for North and South Korean relations.

Anyway, the stock market, sometimes fluctuating with rumors, immediately turned bullish with investors, whether wary of the currency reform rumors or buoyed by the North-South rumors, rushing the bourse into a buying spree.

If the spokesman's bluffing barely fooled journalists and rumor-conscious stock investors in one day, another heedless utterance by a presidential aide is thrusting a hitherto financially sound short-term finance company onto the edge of the cliff.

As soon as a Kim aide was reported to have said the administration was considering revoking the business license of Tong-A Investment and Finance Corp., which

was detected changing false names into real ones for its big customers, depositors were forming long queues to withdraw their money.

For three days from Tuesday, a total of 280.4 billion won in deposits was withdrawn, 15.8 percent of its entire deposits amounting to 1,775.2 billion won as of Monday. Such a queue of depositors was also seen yesterday.

Tong-A suspended extending new loans Thursday and is paying the withdrawals with call money and emergency funds which it borrowed from other short-term financiers.

It is the first time for a robust financial institution, the sixth largest one in the sector and listed on the stock market, to suffer from such massive withdrawals though a few smaller and financially feeble mutual-aid credit houses have experienced defaults, according to analysts.

These sorts of confusions may give the Chongwadae staff, emotionally upset by the challenges to their authority, a rare catharsis but will surely do a disservice to what it has eagerly wished to achieve: an economic upturn.

Tong-A Finance Corporation Faces 'Crisis'

*SK2008064393 Seoul THE KOREA TIMES in English
20 Aug 93 p 9*

[By staff reporter Cho Chae-hyon]

[Text] Tong-A Investment & Finance Corp. is facing a liquidity crisis as a growing number of institutional and individual clients are rushing to withdraw their money.

This rush follows Chongwadae's move to revoke the license of Tong-A because of the company's illegal financial practices against the emergency presidential decree on the real-name system.

Tong-A, which recorded the fourth largest net income of 21.8 billion won among the nation's 24 short-term finance companies in the 1992 fiscal year, faces the worst crisis in its 10 year business.

It was reported last Wednesday [18 August] that the government was moving to strip Tong-A of its business license.

A Tong-A official said that incorporated companies demanded yesterday morning the finance company allow them to withdraw a combined 300-400 billion won from their accounts. Depositors withdrew 130 billion won yesterday.

Tong-A saw their deposits decline by 74 billion won on Wednesday and by 20 billion won on Thursday, according to the official.

As clients continue to withdraw their money from their accounts, Tong-A has been plunged into a liquidity

crisis. If clients continue to withdraw their money, the company may not be able to pay back their deposits due to its fund shortage.

To restore the shortage of funds, Tong-a said that it asked other short-term finance companies to extend emergency call loans. But financial institutions are not cooperative.

Tong-A's executive managing director Pae Chin-song told a press conference yesterday: "Individual and institutions are rushing to withdraw money although we are dissuading them from taking out money. It seems that the report that the government may suspend our business has sent them into panic."

A Chongwadae [presidential offices] official hinted Wednesday that the government will suspend Tong-A's license as an example to show its strong commitment not to allow illegal financial practices.

The government regards Tong-A's illegal practices as a serious challenge against the presidential decree on the real-named system and is set to slap the toughest punishments possible including suspending the company's license and firing executives.

Pae said that Tong-A has stopped extending loans due to the sharp rise in the withdrawal of money. He added that Tong-A will make every effort to meet clients' demands for withdrawal.

Finance Minister Hong Chae-hyong said yesterday that the government will guarantee that depositors with Tong-A Corp. will not sustain any losses. The government will take all measures so that depositors will definitely be protected despite the liquidity crisis at Tong-A, he said.

However, Hong neither denied nor confirmed the report that the government will rid Tong-A of its business license.

Financial experts say that Tong-A will fall prey to the government's political decision in spite of the ripple effect the collapse of the short-term finance company may have on the financial and industrial sectors.

If Tong-A is stripped of its business license, it will be the first the government has canceled a financial institution in Korea's financial history.

Although it has yet to be decided whether the government will take such an extreme method as suspending the company's license or not, it is clear that the company will not be able to shake off the impact of its illegal practices for a long time.

As a Aug. 17, Tong-A posted 1.7 trillion won in deposits, accounting for 7 percent of total deposits of 24 short-term finance companies. In terms of lending amounts, it was ranked six with 1.9 trillion won, accounting for 7.7 percent of total lending amounts of short-term finance companies.

Although the lending amounts remain at a similar level to that before the financial scandal, the deposits declined to 1.68 trillion won on Thursday from 1.78 trillion won two days ago.

Tong-A violated the emergency presidential decree by converting a client's 850 million deposit which was opened under a false name into a real-name one through computer manipulation three days after the decree went into effect.

Burma**Authorities Reveal Apr Bomb Incident**

*BK2108041793 Rangoon Radio Burma in Burmese
1330 GMT 20 Aug 93*

[Text] The authorities have investigated a loud explosion and fire in an arbor between the Children's Hospital and embassy of the People's Republic of China [PRC] at 0830 on 26 April 1993.

At 1500 on 6 August, members of military intelligence units arrested Nyien Thu Aung alias Taik Yin, aged 44, son of U Taik Sein; Nanda Marlar alias Nara Raza alias Tun Tun Oo, aged 26, son of U Tin; Sandaw Batha alias Kyaw Kyaw, aged 30, son of U Aung Khin at the People's Park in Yangon [Rangoon]. It was learned they were planning to plant another bomb at the bus stop near city hall on the same day. They were arrested along with one home-made bomb; two flags, belonging to the ABSDF [All Burma Students' Democratic Front] and the NMSP [New Mon State Party] Mon terrorist insurgent organization; and documents belonging to the ABSDF and KNU [Karen National Union] terrorist insurgent organizations in their possession.

Further investigation led to the arrest of overt activists, who went to the jungle to contact the ABSDF and KNU terrorist insurgent organizations, and the collaborators engaged in antigovernment activities.

Nyien Thu Aung alias Taik Yin was charged with following the cases between 1965 and 1987: two homicide cases, including the murder of three policemen, one narcotic drug case, one robbery case, three cases of absconding from prison sentence, one case of breaking Pyabon Jail, and one case of escape from detention. He escaped from the Pyabon Jail on 21 November 1990. In 1991, he went to Kawthaung to avoid the authorities.

In 1992, he contacted Nyan Lin Shwe, a member of the central committee of the ABSDF terrorist insurgent organization, and joined the ABSDF. He received training on demolition at Nat-eintaung camp and later served as a demolition expert in the ABSDF's Regiment-101. While serving as a demolition expert, he met with Naing Hantha and Naing Saw Mon, leaders of the NMSP Mon terrorist insurgent organization. Later, at the instructions of the terrorist insurgents, he arrived in Yangon on 14 April 1993 via Hnipraw and Moulmein and brought explosives and Kyat 15,000 with him. It was learned that he planted and detonated a home-made bomb in an arbor between the children's hospital and the PRC Embassy on the morning on 26 April.

On the same day, Taik Yin returned to the NMSP Mon terrorist insurgent organization's Moulmein district office through Hnipraw and reported to the centers of the NMSP Mon terrorist insurgent organization and ABSDF terrorist insurgent organization.

At the instructions of the NMSP Mon terrorist insurgent organization's Moulmein district office, Taik Yin left for Yangon again on 22 May with explosives. From Yangon, he went to Daik-u to be ordained as a monk at Weluwun Monastery. At the monastery, he came to know Nanda Marlar alias Nara Raza alias Tun Tun Oo, who often visited ABSDF in the jungle and also engaged in UG [above ground] activities. They made preparations for planting explosives to commemorate the 7 July [which marked the anniversary of the shooting of university students by government troops on 7 July 1962].

On 7 July, they went to Yangon and stayed overnight at U Zawana's Shwe Pyitha Pariyatti Monestary. U Zawana knew and participated in the activities link to the jungle. Nanda Marlar explained their plan to U Zawana and introduced Taik Yin to U Zawana.

On 8 July, Taik Yin and Nanda Marlar went to see U Thaung Kyi, Nanda Marlar's confidante, who resides at No. Pa 570, San Pya Road, Sintgu, Insein Township. They prepared a bomb at that house and later Taik Yin changed into civilian clothes.

They then went downtown and at about 0800 they planted a bomb and placed propaganda leaflets in a lane behind the Oil Enterprise building on the Merchant Road. The bomb did not explode. As the number of pedestrians increased, they decided to go back to U Thaung Kyi's house where Taik Yin changed back into the monk's robe and returned to Weluwun Monastery in Daik-u.

Taik Yin and Nanda Marlar then planned again to engage in destructive activity in commemoration of four eights uprising [of 8-8-88 or 8 August 1988] and they prepared a bomb, propaganda leaflets, and flags belonging to ABSDF and NMSP Mon terrorist insurgent organization. On 5 August, Taik Yin and Nanda Marlar separately headed for Yangon.

They spent the night of 5 August at the Shwe Pyitha Pariyatti Monestary. Taik Yin, Nanda Marlar, and Santawpata, who usually accompanied Nanda Marlar on his trip to the jungle, discussed planting a bomb at the bus stop near the city hall on 6 August.

After the preparations for explosives on the morning on 6 August, Taik Yin and Nanda Marlar went to Melamu Pagoda and joined Santawpata. They were arrested at the Thit Lone Ein Restaurant while they were waiting to plant a bomb.

Further investigations led to the arrest of U Zawana, a monk at Shwe Pyitha pariyatti Monastery; Myint Soe alias Pyinnya Sara of East Ywama, Insein, a monk at the same monastery; Nyi Nyi Win alias Nelwin Aung alias Nanda Thuriya of Ward-3, Circular Road, Daik-ua, a monk at Maha Myaing Monastery in Sittaung village, Waw Township; U Thaung Kyi of Singgu Ward, Insein Township; U Tun Kyaw, ward secretary of Insein branch of National League for Democracy [NLD] residing at No. 1276, Mingyaung Street, Bogon Ward, Insein; Nyi

Toe alias Khin Maung Aye of No. 706 Railway Station Road, Singgu Ward, Insein Township, who had resigned as youth affairs officer of the NLD; Maung Maung Than, NLD youth propaganda and information officer of No. 91-B, Natmauk Pangyan Street, Shwe Pyitha Township; and U Tun Myint, member of NLD residing No. 5/3/135 Sein Yadana Street, Shwe Pyitha Township.

It has been learned that authorities concerned will take action according to the law against those members of the demolition team and those with contact with insurgent terrorists.

Wa Party Reports to National Convention Session

BK1808145093 Rangoon Burma Television Network in Burmese 1530 GMT 14 Aug 93

[“Excerpts” of the report of the Wa National Development Party read by U Marcos alias U Sai Lon at the plenary session of the National Convention held at the President’s House compound in Rangoon on 14 August—recorded]

[Excerpts] Esteemed Mr. Chairman, members of the Panel of Chairmen, and convention delegates: I am U Marcos alias Sai Lon, a delegate of the Wa National Development Party. [passage omitted on introduction]

Mr. Chairman, this is the third time the state constitution is being drafted in less than half a century since we waged the national struggle to free ourselves from servitude.

Mr. Chairman, our Wa nationals have very little political experience and knowledge of politics. We were unable to participate in the drafting of the 1947 state constitution as there were very few modern educated adults and youths among us. At that time, we just had to follow what was decided and prescribed by the persons who played the leading role in drafting the constitution.

The state constitution was drafted for the second time, the national referendum was held, and states and divisions were reorganized in 1974. Our Wa nationals were given very little political responsibility at that time and we were not able to participate fully with a broad mind or make demands. The Wa region was under the domination of the Burma Communist Party [BCP] at that time and the Wa region was classified as a black region. We suffered in many ways because the Wa leaders of the time were unable to participate. Hence, I am very happy to participate in the current National Convention on behalf of the Wa nationals to draft the state constitution.

Mr. Chairman, the abovementioned fundamental principles were presented by the Wa National Development Party in order to ensure that the Wa nationals will not lose their political rights as they did in 1947 and 1974. They were also presented in the interests of other national races who, like Wa nationals, once lost their political, economic, and social rights.

In fact, the population of Wa nationals in our Wa State [Wa Pyeine] is 700,000. This includes people living in Wa South, Wa North, the (?Lower) regions, and former BCP “black” areas [areas where insurgency is active], which have now become “white” areas [areas cleared of insurgency]. The discrepancy in figures may be due to the inability of the state to reach remote areas.

From the projects being implemented by the State Law and Order Restoration Council under the plan to develop border regions and national races in the last two to three years, differences in the level of political, economic, and social development and enjoyment of rights between the central and hill regions can be seen.

Mr. Chairman, it is true that our Wa nationals were inferior and backward for generations. During the British colonial rule and the Japanese occupation, however, attempts were made to put the Wa region under their rule. Wa national leaders, Saw Maha and Saw Naw Kaung U, were able to defend their region in their own ways. On 17 April 1989, Wa national leaders Chao Ngi Lai and (?Pao Yo-chang) organized and led the Wa nationals and national groups living in Wa region despite the scarcity of modern educated people with political awareness. They successfully revolted against and expelled the BCP and leaders of the BCP Central Bureau, who had been engaged in insurgency and terrorism in Myanmar [Burma] for many years since independence. [passage omitted]

Mr. Chairman, on behalf of the Wa Nationals, the Wa National Development Party suggested the following as the fundamental principles to be included in the state constitution:

1. The Union of Myanmar is a country formed with member states and divisions of the Union. States and divisions may be expanded in accordance with the constitution. There shall be self-administrative areas.
 2. Consultation and designation shall be made in order to upgrade and organize the Wa State as a member state of the Union.
 3. The independent and sovereign state shall practice a genuine democratic system and be administered by a president.
 4. The state shall practice independent and fair foreign policy.
 5. The Union Parliament shall be organized as follows in order to form a state government:
 - A. Nationalities Assembly
 - B. People’s Assembly
- The Union Parliament shall be formed with representatives from states and divisions.
6. A. Nationalities Assembly shall be composed proportionately of representatives from states and divisions.

B. People's Assembly shall be formed with representatives from states and divisions elected proportionately according to population represented. Members of the Upper House shall be excluded.

7. The president will be directly elected by representatives of the Nationalities Assembly and the People's Assembly; the vice president shall also be elected.

8. Union Parliament shall nominate chief justice, attorney general, and auditor general; their appointment shall be confirmed by the president.

9. Member states of the Union shall form state legislative assemblies with the right to self-determination.

10. Regional bodies shall be formed in self-administrative areas.

11. In accordance with the constitutional provisions, the state shall form the Union Defense Services which is modern and strong for national defense and security. Law may be promulgated, if necessary, to stipulate the length of military service for citizens who have reached the maximum age in order to keep the Defense Service young.

12. A law shall be promulgated to stipulate accurately how state and divisional armed organizations should be formed in order to work jointly with the Union Defense Services for ensuring the security of the state and repelling the external threat. Local militias shall also be formed.

13. The People's Police Force shall be formed systematically to ensure enforcement of law and order.

14. Laws shall be promulgated to systematically form veterans organizations—the country's reserve force—and to stipulate the rights of veterans organizations.

15. Laws shall be promulgated to protect the rights of the public service personnel, workers, and peasants who constitute a major force in the country's administrative and productive sectors. The state shall arrange to meet the needs of these sectors in modernizing their operation.

16. Laws shall be prescribed to ensure that female personnel enjoy the same rights and benefits as male personnel and also enjoy separate rights related to their female nature.

17. A modern and progressive education system shall be developed in order to develop students who will shoulder and inherit the future responsibilities of the state and state leader. Policies shall be drawn up to allow education abroad to obtain more modern education and technology.

18. All citizens shall be equal before the law. No criminal laws shall be retroactive and laws denigrating human dignity shall not be passed.

19. No citizen shall be arrested or detained under the laws which are not promulgated accurately. No arrest, detention, and restriction for 24 hours shall be performed without permission granted by a court.

20. Arrested citizens shall not be subjected to physical or mental torture, abuse, or inhuman treatment.

21. The state is responsible for protecting citizens who are abroad in accordance with the laws. A citizen shall not lose his or her birth rights, other than revocation of Myanmar citizenship, after becoming a foreign citizen.

22. Citizens shall have the right to give or receive inheritance.

23. To provide compulsory primary education for all citizens. In allowing citizens to pursue their studies at state schools, there shall be no religious and racial discrimination. No subject or religious literature shall be forcibly introduced into a prescribed textbook.

24. Citizens shall have the right to freely choose and practice the religion of their choice. The state, with regard to religious belief, shall in no way discriminate religious benefits or deprivations to anyone. Religion shall not mingle with politics in any way.

25. There shall be no racial suppression, humiliation, or supremacy in the state.

26. All national races shall have the right to freely safeguard, bring about, and practice their literature, traditions, and customs. They shall also have the right to improve them.

27. Citizens shall have the right to work and trade.

28. There shall be freedom to write, print, publish, and speak in the state, provided these acts do not affect the state or the other national races.

29. In order to hold genuine democratic elections, there shall be freedom to form and organize political parties.

30. The economic system of the state shall be free market-oriented. The state, in view of the long-term interest of the country, shall have provisions for the systematic use of its natural resources. The union shall have a strict provision on the terms of sharing between the union and the states in the extraction and production of natural resources.

31. The Burmese language is the state's official language.

32. The union shall not cancel or demonetize the monetary system, which affect the livelihoods of the citizens and national races. If there is a need to cancel or demonetize the currency, the union shall take the necessary measures to not affect the livelihoods of the citizens and national races.

With this, I conclude my report. [applause]

Brunei, Malaysia & Singapore

Malaysia

Mahathir's Visit, Ties With Thailand Viewed

BK2108101093 Kuala Lumpur Voice of Malaysia in English 0800 GMT 21 Aug 93

[Station commentary]

[Text] Malaysia and Thailand as the closest of neighbors, geographically speaking, and as fellow members of ASEAN, are taking positive steps to foster closer ties and greater political and economic cooperation.

The current four-day visit of Prime Minister Datuk Sri Dr. Mahathir Mohamed to Thailand for bilateral discussions with his Thai's [as heard] counterpart Chuan Likphai, is primarily meant for that purpose. The talks engaged between their respective delegations have been fruitful and meaningful.

Bilateral cooperation need not be confined to the economic level, but can be extended to include other areas, such as transportation, science and technology, education, and agriculture. Apart from the efforts of the governments to bring the two countries closer together, it is the private sector that holds the key to greater economic cooperation and mutual benefit.

As Dr. Mahathir said in Bangkok, the private sectors not only in Thailand and Malaysia, but encompassing all ASEAN countries can play an important role and serve as the ideal vehicle in making regional cooperation a reality. With the combined forces available in the region, there is vast potentials for joint projects among the businessmen and entrepreneurs of all the ASEAN region. With the Indonesia, Thailand, Malaysia group triangle looming on the horizon, the private sector has a great opportunity to reap immense benefit from joint venture activities. Malaysia refers to it as its Northern Triangle. At the other end of Peninsular Malaysia is the Southern Growth Triangle involving Indonesia, Singapore, and Malaysia. With private sector participation and investment, growth triangles can be the engines of growth and development.

Dr. Mahathir and Mr. Likphai discussed regional and international issues. This, naturally included the Bosnian problem, the East Asia Economic Caucus, EAEC, and the Cambodian conflict. With ASEAN countries enjoying rapid economic growth, the Malaysian premier called for a concerted effort by Thailand and Malaysia to spearhead a campaign to coordinate technical cooperation program in Vietnam, Cambodia, and Laos in order to create a prosperous and stable Southeast Asia region. Those three countries are endowed with (?natural) resources that they need to be developed, the result of which can have obvious benefits for the region.

Dr. Mahathir's visit to Thailand, which ends tomorrow, can be described as a success and mutually beneficial to

both countries. The ties between the two neighboring peoples and the close cooperation between the two governments, and private sectors of Malaysia and Thailand will undoubtedly witness greater growth in the years to come.

Power Shortage 'Crisis' Said Close to End

BK2008141993 Kuala Lumpur NEW STRAITS TIMES in English 19 Aug 93 p 1

[Text] Malaysia's power shortage crisis, which gripped the nation early this year, is close to an end with electricity supply exceeding demand.

Tenaga Nasional [National Electricity] executive chairman Tan Sri Dr. Ani Arope said today that there had been no load shedding or power curtailment since new gas turbines were commissioned at the Connaught Bridge Power Station in Klang, Selangor, on 5 and 8 August.

"This is the first time in many months that we are breathing much easier," he told reporters at the Tenaga Nasional office here after a signing ceremony between the company and Xian Electric Machinery Import & Export Company of China for the purchase of power transformers.

Currently, Tenaga has an excess of 300 to 350 megawatt in electricity during peak periods when demand is between 4,700 and 4,800 megawatt. This works out to an excess of six percent over demand.

During the first week of operation of the new turbines, which have a combined capacity to produce 60 megawatt of electricity, Tenaga reported 800 megawatt in excess capacity—the first time such a level was reached in eight months.

Asked whether this signalled the end of power shortage problems, Ani said: "This is something for you to judge.

"Power supply should be steady from now on unless there are some unforeseen circumstances such as thunderstorms."

He added that by the end of the year, the situation was expected to improve further with the commissioning of more turbines. To be comfortable, Tenaga hopes to generate enough electricity to exceed demand by 20 to 30 percent.

Tenaga has also signed sale and purchase agreement with the Singapore Public Utilities Board for the import of 100 megawatt of electricity.

With the power generated by the turbines and supply from Singapore, maintenance of power station can be carried out without any further disruption to power supply.

Ani said that from this month until June next year, generating capacity would be increased by a further 1,872 megawatt with the completion of Tenaga power

generation projects. The power shortage crisis began after a nationwide blackout on 29 September last year when lightning crippled the national power grid. In the following months, whenever demand exceeded supply, Tenaga had to undertake power curtailment and load shedding exercises, resulting in power interruptions nationwide.

Ani also said nine companies had signed contracts with Tenaga to take advantage of its scheme to encourage them to generate their own electricity during peak periods.

Under the scheme, companies will be given a rebate of nine sen for every kilowatt hour generated. It is aimed at reducing consumption during peak periods. There is no plan yet to review the package to increase the rebates to attract more companies.

Dissolution of Sultan's 'Private Army' Endorsed

BK2008140993 Kuala Lumpur NEW STRAITS TIMES in English 19 Aug 93 p 1

[By Sabry Sharif, M. Yusof Taib, and Zulkifli Othman]

[Excerpt] Kuala Lumpur, Wed. [18 August]—The cabinet today found no reason to allow the Johor Military Force (JMF) to continue to exist, and endorsed the state government's proposal to dissolve the sultan's 107-year-old private army.

Defence Minister Datuk Sri Najib Tun Razak said the cabinet also agreed to assign the security of the ruler, his immediate family and the state to the police and the armed forces.

He said the dissolution of the 227-strong army would take effect after parliament had approved the abolition of the Johor Military Force Enactment 1915 and amendments to the Armed Forces Act 1972.

All JMF members would have a choice of joining the armed forces or the Johor civil service, he said.

Clause 3 and 4 of the Armed Forces Act would be amended to enable them to be absorbed into the army without losing their ranks, seniority, and current salaries and allowances.

"In coming to this decision today, the government has taken into account the interests of the JMF members, and the option scheme is, therefore, on the 'no loss' principle," Najib told reporters at his office at Wisma Pertahanan in Semarak Road here.

Johor Menteri Besar [Chief Minister] Tan Sri Muhyiddin Yassin announced last Friday that the State Executive Council had agreed to dissolve the JMF for the safety of the people and that there was no need to have such an army with the existence of the police and the armed forces.

The JMF, the only military force which does not come under the armed forces or the police, was established in 1886 by Sultan Abu Bakar to defend Johor without the help of the British.

It came under sharp focus during the constitutional crisis late last year when the NEW STRAITS TIMES exposed the abuse of power by its members at the expense of the public.

Among the cases highlighted were the terror tactics practised by the JMF members to force motorists who allegedly obstructed the Sultan's car to pay excessive fines. [passage omitted]

Statistics Department Reports May Trade Surplus

BK2108160693 Kuala Lumpur NEW STRAITS TIMES in English 19 Aug 93 p 20

[Excerpt] Malaysia registered a trade surplus of 455.2 million ringgit in May this year, the Statistics Department said.

The department said it was also the 13th successive monthly trade surplus for the country and the amount was also about four times higher than the April 1993 surplus.

Both the country's imports and exports in May 1993 were lower when compared with the previous month.

Imports went down by 9.4 percent while exports dipped to six percent, thus resulting in the surplus for the month under review being 341.7 million ringgit or 301 percent higher than the surplus of 113.5 million ringgit recorded in April 1993.

May's exports amounted to 9,968.0 million ringgit while imports were at 9,512.7 million ringgit.

For the January-May 1993 period, the cumulative surplus stood at 2,266.4 million ringgit compared with the huge deficit of 2,236.4 million ringgit registered in the corresponding period of 1992.

The department said this surplus was export-induced (22.3 percent increase) since imports did grow simultaneously, albeit at a slower rate (10.1 percent) during the period.

For the period under review exports of manufactured goods (39.8 percent increase), machinery and transport equipment (36.5 percent) and miscellaneous manufactured articles (14 percent) were the main sectors of growth. Together they contributed to nearly 66 percent of total export earnings, the department said.

The moderate import growth, on the other hand, was largely contributed by machinery and transport equipment (12.7 percent increase) which accounted for about 56 percent of total imports. [passage omitted]

Cambodia

Ranariddh Gives Address on Current Situation

BK2208134193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 22 Aug 93

[Address by Prince Norodom Ranariddh, cochairman of the Provisional National Government of Cambodia, on the current situation; made in Phnom Penh on 22 August—recorded]

[Text] Greetings to the two supreme patriachs, revered clergy, and beloved compatriots:

Today, in my own name and on behalf of His Excellency [H.E.] Hun Sen, cochairman of the Provisional National Government of Cambodia [PNGC], co-minister of national defense, and co-commander-in-chief of the Cambodian National Armed Forces [CNAF], I would like to ask for permission to inform the clergy, prince, excellencies, ladies, and gentlemen, and compatriots about a number of events relating to the interest, destiny, and life of our people and nation.

As all of you know, following the general election organized by the UN Transitional Authority in Cambodia, our beloved motherland has reached a new phase in the nation's history, that of national reconciliation and unification under the clear-sighted and correct leadership of our respected and revered Prince Father, His Royal Highness Prince Norodom Sihanouk, head of state, and chairman of the Supreme National Council [SNC], and who is the father of national reconciliation and liberal democracy, and the only outstanding leader of our Cambodia. The constituent assembly, born of the Cambodian people's will through the recent general election, is actively working for the supreme interest of the Cambodian people and nation.

The PNGC, with myself and H.E. Hun Sen as cochairmen, was set up with an appropriate work program to lead and administer Cambodia during the transitional period in accordance with the desire and wish of the prince head of state. The armed forces of the former three signatories who implemented the agreement have agreed to combine themselves and set up a single Cambodian national army with the Prince Father as supreme commander.

Since its birth, the PNGC has worked tirelessly for the benefit of the nation and people. It has faced major problems and many complex difficulties in the political, economic, social, and cultural fields, and in the maintenance of security, stability, and order for the Cambodian people and society, and so on. The PNGC has actively overcome these difficulties and fulfilled its tasks based on the principle of close cooperation among all sides taking part in the government, particularly between the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and the Cambodian People's Party [CPP].

Based on this fine cooperation, the PNGC is energetically carrying on its work and overcoming obstacles and difficulties. Looking at the preliminary results of its efforts, our PNGC is optimistic and is looking forward to the future, firmly believing in its steps along the path toward definitive peace and security, stability, national unification, and national reconciliation, along with the rehabilitation and construction of our Cambodian motherland.

However, there is one thing that is very regrettable. Along with the PNGC's immense efforts to solve the major problems left over by war, which has been dragging on for more than two decades, one side, the Democratic Kampuchea/Khmer Rouge side, which is also a signatory of the 23 October 1991 peace agreement, has not yet aligned itself to return to the peace process and national unification despite repeated appeals and sweet words from the revered Prince Father as well as from the PNGC.

In his statements, the leader of the Democratic Kampuchea/Khmer Rouge side uses the words: peace, patriotism, national reconciliation, and national unification; he talks about following the Prince Father, and even accepts the election results. However, in practice, this side has not abided by its words. Furthermore, this side continues to spread propaganda using the old language and doctrine it has used in the past with the aim of producing cracks in the foundation of national unification and the useful cooperation which is taking place in the Cambodian society and nation.

More dangerous still, we have noted that following the election, despite the existence of the constituent assembly and the PNGC, the Democratic Kampuchea/Khmer Rouge side, on the battlefield, has been trying to send and infiltrate increasing numbers of troops with weapons and ammunition into the country. They have been trying to pressure, threaten, and successively attack the CNAF, and also seize a number of the PNGC positions, including economic and cultural targets. This has caused instability, danger, and serious damage to the life and property of innocent people: for example, the attack on trains, the blowing up of railway track, bridges, and roads with mines, and the attacks to seize the Preah Vihear temple area and the border checkpoint.

Furthermore, a large number of the Democratic Kampuchea/Khmer Rouge troops have been dispatched in an attempt to seize and control the Angkor Wat temple area, to seize Preah Vihear Province, and to put pressure on a number of areas, such as the Tonle Sap zone and the area around Phnom Penh, and Son. These activities by the Democratic Kampuchea/Khmer Rouge side have caused great concern among the Cambodian people. The PNGC has been very preoccupied with this.

However, despite all this, firmly adhering to a policy of national reconciliation and national unification formulated by the Prince Father, who is highly revered by the entire Cambodian nation, the PNGC has been very

patient and has adhered to a peaceful policy toward the Democratic Kampuchea/Khmer Rouge side to provide the latter with opportunity to return and join the Cambodian society and nation like Cambodians all over the country.

The PNGC has a genuine stance of goodwill toward the Democratic Kampuchea/Khmer Rouge side and has left the door open for their contributions. However, to this day, this side has no reason to impose conditions on the PNGC. The Democratic Kampuchea/Khmer Rouge side is under obligation to hand over its troops and administrative areas to the national government and put an end to all military attacks against national government forces. This is the responsibility the Democratic Kampuchea/Khmer Rouge side has to fulfill with regard to the government without any negotiation. The PNGC has been exercising patience and restraint over a fair length of time to make the Democratic Kampuchea side understand this.

Finally, on 8 August, I myself went to see H.E. Khieu Samphan in Bangkok but did not get any positive result. The leader of the Democratic Kampuchea/Khmer Rouge side did not in the least understand the good intention of the PNGC. The leader of the Democratic Kampuchea/Khmer Rouge side rejected my two proposals, which were very undemanding ones.

First, I proposed that the Democratic Kampuchea side stop raising the issue of the quadripartite army because we no longer talk about sides. We have a unified national army whose official name is the CNAF. This is a brilliant symbol of Cambodian national reconciliation. This Cambodian national army is under the sole command of our revered Prince Father in his capacity as CNAF supreme commander.

The second proposal which was also rejected by the Democratic Kampuchea/Khmer Rouge side was my proposal to put an end to armed attacks against the positions of the national army, the blowing up of roads and bridges with mines, and the massacre of innocent people. Furthermore, H.E. Khieu Samphan, leader of the Democratic Kampuchea side continues to talk about the old doctrine by using such words as puppet government, quadripartite army, or army set up or propped up by Vietnam.

In sum, despite the efforts and patience of the PNGC, the leader of the Democratic Kampuchea side still sticks to an intransigent position in accordance with this side's strategy of using open and secret methods combining military and political means aimed at implementing its long-term strategy.

The PNGC holds that if the Democratic Kampuchea side is allowed to continue these hostile activities, insecurity will drag on and the PNGC will lose the confidence of the people, who are the owners of the ballots in the general election last May.

Faced with such a situation, as the one responsible for the life and the destiny of the people and the nation, the PNGC has no other choice than to take firm measures to actively exercise the right to self-defense and to ensure peace and security for the people in accordance with the work program presented to the people's representative assembly on 2 July.

Therefore, although the national army has recently been set up, it has not yet been well organized, and so the government has had to use some units to carry out military operations to seize and mop up Democratic Kampuchean forces and has achieved some results worthy of praise, for example in Stoung District in Kompong Thom Province and the Phnum Chhat area in Thmar Puok District, Banteay Meanchey Province.

Thousands of weapons and a lot of ammunition were seized. Thousands of members of the Democratic Kampuchea side have surrendered to the PNGC. A large number of compatriots in the Democratic Kampuchea side laid down their weapons and returned to live as citizens in accordance with liberal democracy in Cambodia.

The PNGC uses not only military means. We have issued appeals to officers and men of the Democratic Kampuchea side by pledging to protect and provide rights, freedom, and benefits, and even offering ranks and allowing in the Cambodian national army. These compatriots have awakened and deserted the Democratic Kampuchea side's army and have returned to live with our Cambodian society and nation. For officers and men of the Democratic Kampuchea side, including their families, who were captured or who surrendered on the battlefield, the PNGC will adopt a correct policy toward them based on the principle of respect for human rights and humanitarianism.

The good cooperation within the Cambodian national army in the recent military operations was another new good step in the national unification process in Cambodia. Due to this courageous military operation, the current tense situation has been reduced by a significant degree, for example in Kompong Thom, Siem Reap, and Banteay Meanchey Provinces. The confidence of the Cambodian people in general in the PNGC has been raised.

Therefore, we are not warmongers. We only carry out the duty the people have handed us based on their confidence in us. I would like to stress that the PNGC is efficiently carrying out its work in administration and the management of state authority, the armed forces, the national army, and the national police. The national army exercised the right to self-defense in order to ensure peace and security for the Cambodian people. This is the task of the PNGC and not an interference by foreigners.

On this occasion, in my own name and on behalf of H.E. Hun Sen, PNGC cochairman, co-minister of national defense, and CNAF co-commander-in-chief, I would like to appeal to local and foreign public opinion for

understanding and justice and for assistance and support for the PNGC's activities for the precious cause of national unification and peace and security in Cambodia.

I would like to convey my wishes to the prince, the clergy, and all respected and beloved compatriots, particularly officers and men of the Cambodian national army who are courageously and valiantly carrying out duties on various battlefields. May they enjoy the five Buddhist blessings of longevity, social prestige, happiness, strength, and enlightenment.

Made in Phnom Penh on 22 August 1993

I, Norodom Ranariddh

Energy Minister on Production of Energy, Oil

BK2108092793 Phnom Penh AKP in French 0355 GMT 21 Aug 93

[Text] Phnom Penh 21 Aug (SPK)—Ing Kiet, Cambodian minister of energy and mines, talked about projects and measures aimed at developing electricity production in Phnom Penh, and later throughout the country—one of the priority problems during the transitional period.

During a recent interview granted to the Cambodian News Agency (AKP), the minister stressed that the Ministry of Energy and Mines plans to restore the hydro-power plants in Kirirom and Prek Thnaot, both in Kompong Speu Province, and in Kamchay Mea in Kampot Province, among some 30 plants in existence in Cambodia. The first plant, with a 10 megawatt capacity, will be financed by the Austrian Government; the second has an 18 megawatt capacity. The third has an initial capacity of 120 megawatts, which, after restoration, could be upgraded to 150 megawatts, stressed Ing Kiet.

However, the minister raised major problems faced by the current Cambodian Government in electricity distribution, particularly in the capital: the inability of the four power plants to produce electricity due to outdated generators, the reinstallation of electrical engines, and so on.

"Measures have been taken by the ministry to totally avoid and completely eliminate negative phenomena in electricity distribution, to improve management, and to restore and reinstall the electricity network," said Ing Kiet, who added that the ministry encourages local or foreign private investment in energy production in the country and will strive to attract foreign aid to equip power plants in order to increase production.

Concerning oil, Ing Kiet stressed that "this sector is going well." A Japanese company will help us bore two wells around Poulo Wai island by the end of the year; British companies will sink three wells in the following year.

It is estimated that the production of crude oil from all oil fields off the Cambodian coast could reach over 100 million tonnes. dd

Indonesia

Alatas: No Sovereignty Sacrifice for Economic Aid

BK1808042793 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 18 Aug 93

[Text] Indonesia is not prepared to sacrifice its sovereignty in return for economic aid because Indonesia, as an independent nation, develops itself in accordance with the ways it considers appropriate. Speaking during a flag-raising ceremony in commemoration of the 48th anniversary of the declaration of Indonesia's independence in Jakarta yesterday, Foreign Minister Ali Alatas said Indonesia realized the importance of cooperation with and aid from other nations to accelerate national development. Indonesia, however, is not prepared to sacrifice basic principles as a sovereign nation and rejects the attachment of any political strings to cooperation or economic aid.

Last week, the United States threatened to revoke privileges under the generalized system of preferences, or GSP, for Indonesia if its labor system failed to meet ILO standards regarding the protection of female and child workers.

Meanwhile, Minister Ali Alatas cited the international community's strong confidence in Indonesia's development policies. This was proved by an increase in the CGI [Consultative Group for Indonesia] aid from \$4.9 billion or about 9.8 trillion rupiah last year to \$5.1 billion or about 10.2 trillion rupiah this year.

Alatas on UN Request for Bosnia Observers

BK2008125993 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 20 Aug 93

[Text] Indonesia is considering the UN secretary general's formal request to dispatch 20 military observers to Bosnia-Herzegovina. Speaking to reporters in Jakarta today, Foreign Minister Ali Alatas said the government is studying the idea of sending military observers. Indonesia is also ready to dispatch a 100-man medical detachment to Bosnia-Herzegovina. The offer has been submitted to the UN secretary general.

Cabinet Meeting Discusses Economic Affairs 4 Aug

BK2308021993 Jakarta THE INDONESIA TIMES in English 5 Aug 93 p 1

[Text] The regular cabinet meeting Wednesday [4 August] asserted a remarkable increase of economic liquidity, but recorded a slow pace of credit expansion.

Information Minister Harmoko told newsmen following the cabinet meeting on economy, finance, industry, and trade on Wednesday that liquidity position of national

economy until the end of May was Rp. [rupiah] 124.523 trillion or increased by 4.6 percent of December's position. The current budget (1993-1994 fiscal year) projected an increase of 17.1 percent. However, the meeting recorded that bank credit during the same period reached a slight increase of 3.6 percent. The meeting concluded although money supply rose, credit channeled by banks did not enhance significantly.

Harmoko said that President Suharto, who led the meeting, urged the banks to take urgent steps to boost credit expansion which has been formulated in the 29th May package. Money supply in May 1993 was Rp. 29.486 trillion or increased by 2.5 percent of December 1992.

The meeting also recorded that inflation rate in June was 0.24 percent went up to 0.67 percent in July. The total amount of inflation rate during the ongoing fiscal year was 1.20 percent and 7.64 percent for calendar year from January to July. Referring to the high inflation rate, Suharto was reported to have suggested the improvement of coordination among the government agencies and distribution of main commodities as well as sufficient availability of stocks of main commodities.

Regarding international trade, the meeting recorded a significant surplus although the world economy is still in difficult condition. Exports in May reached U.S. \$3.74 billion, while imports were \$2.150 billion. So the surplus was \$923 million. Trade surplus from January to May this year reached \$4.2 billion, nearly three times of the same period of last year.

The head of state was reported to have stressed despite the improvement of export performance, the agencies dealing with export drive should boost export and reduce import. Harmoko said in regard of stocks of strategic commodities, stockpiles are sufficient until October this year. The strategic commodities are fertilizer, cement, paper, salt, steel, and cooking oil.

In industrial sector, the meeting reviewed procurement of power supply for 229 factories with capacity of 649,152 KVA [kilovolt-ampere] in which 36 factories have been enjoying electric power supplies. The government, in competing with the urgent need of power supply until 1995, has been launching crash programme with the development power plants both by the government and private companies in Jakarta, Semarang, and Pasuruan.

In connection with the report on the decline of investment, the president reminded the government officials to simplify licence arrangements, particularly for foreign investors.

Laos

Deputy Minister Leaves for Meeting With Burma

BK2308044593 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 23 Aug 93

[Text] On 23 August, Souban Salitthilat, deputy minister of foreign affairs and concurrently chairman of the Lao-Myanmar Joint Border Commission, and a delegation of technicians, left for Rangoon, capital of the Union of Myanmar [Burma], to attend the fourth meeting of the joint border commission. The meeting is scheduled to be held in Rangoon from 23 to 26 August.

In the meeting, the two sides will have a final exchange views on the contents of the agreement on the permanent borderline along the Mekong river. They will also examine printed maps, including one of the borderline with the scale of 1:10,000, and another on the general boundary with the scale of 1:50,000. They will then sign the maps. This will be the final meeting during which they will review their overall joint border work carried out with glorious success since early 1991. They will also discuss regulations to be pursued in further implementing various agreements and relevant maps.

PASASON on 'Success' of Visit by SRV Delegates

BK2108110593 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 21 Aug 93

[PASASON 21 August editorial: "Wholeheartedly hail the success of the visit by the high-level delegation of the SRV National Assembly"]

[Text] At the invitation of Comrade Saman Vignaket, Political Bureau member of the Lao People's Revolutionary Party Central Committee and chairman of the National Assembly of the Lao People's Democratic Republic [LPDR], the high-level delegation of the SRV National Assembly led by Comrade Nong Duc Manh, Political Bureau member of the Communist Party of Vietnam Central Committee [CPV CC] and chairman of the SRV National Assembly, paid an official friendship visit to the LPDR from 15 to 19 August 1993. The visit was crowned with brilliant success, showing a new sign of development in the relations and cooperation between the LPDR and SRV National Assemblies and making an important contribution to strengthening, increasing, and continually making more fruitful the special relations of friendship and comprehensive cooperation between the two parties, states, and peoples of the two countries in conformity with the call of the new period.

During its stay in Laos, the high-level delegation of the SRV National Assembly visited a number of economic and cultural establishments in the city of Vientiane and Champassak and Saravane Provinces. Everywhere they visited, they were accorded a warm and intimate welcome by the multiethnic Lao people.

During the visit of the SRV National Assembly delegation, Comrade Khamtai Siphandon, chairman of the LPRP CC and prime minister of the LPDR, and Comrade Nouthak Phoumsavan, Political Bureau member of the LPRP CC and president of the LPDR, warmly and intimately welcomed and held talks with the delegation. In addition, Comrade Nong Duc Manh and his entourage also called on Comrade Souphanouvong, adviser to the LPDR CC. In particular, the high-level delegations of the SRV and LPDR National Assemblies held talks in a warm atmosphere of brotherliness and mutual understanding. During this time the two sides profoundly expressed mutual trust in each other and were unanimous on the various methods for strengthening and enhancing the comprehensive relations between the two organizations of supreme power of Laos and Vietnam and for strengthening the special solidarity among all nations. They reached also unanimity on all regional and international issues of mutual interests.

In addition to contributing to solidifying and strengthening the traditions of special friendship relations and mutual assistance in national construction and national defense in the interests of the two peoples, the success of the friendship visit to the LPDR by the high-level delegation of the SRV National Assembly, this time, has also become a contribution to the cause of peace, tranquillity, and development in Indochina and the world.

We, multiethnic Lao people throughout the country, would like to wholeheartedly hail the highly significant success attained by the high-level delegation of the SRV National Assembly in paying this friendship visit to the LPDR. We, as well as the fraternal Vietnamese people, are firmly confident that the SRV and LPDR National Assemblies will strive to the best of their abilities to translate into reality the outcome of the visit to the LPDR by the high-level delegation of the SRV National Assembly so as to make great contributions to the tasks of national construction and national defense of the fraternal Lao and Vietnamese peoples and to the common cause of all countries for peace, stability, independence, and social progress and to the cause of cooperation in Southeast Asia and the entire world.

Philippines

CPP's Overseas Financier Reportedly Stops Aid

HK2008103393 Manila MANILA BULLETIN in
English 20 Aug 93 p 8

[Report by Sel A. Baysa]

[Text] The Netherlands-based "X-Y Movement," allegedly one of the biggest overseas financial supporters of the Communists Party of the Philippines and the National Democratic Front (CPP-NDF), has reportedly ceased sending financial aid to the local communist movement.

The development was announced by Brig. Gen. Rene S. Dado, Armed Forces of the Philippines Civil Relations Service (AFPCRS) chief, who said it was a result of the ongoing rift in the underground movement.

Dado cited an article by Chris Huinder in the March edition of the "X-Y Bulletin" that "the cutting off support was triggered by CPP Chairman Jose Ma. Sison's rectification process indicative of the movement's failure to cope with changes in the domestic and international political scene."

The X-Y Bulletin is the agency's official publication.

According to him, the financing body has given substantial money and material support to the CPP-NPA [New People's Army]-NDF the past decade.

"Although funds are supposed to bankroll rural socio-economic projects, intelligence reports indicate that the bulk of these actually go to the NPA, the military armed of the CPP-NDF, for waging hostilities," Dado said.

Dado said the development was preceded by separate marathon hearings between movement's officials and CPP-NPA-NDF representatives.

MILF Throws Support to MNLF in Peace Talks

HK2008100093 Manila MANILA BULLETIN in
English 20 Aug 93 pp 1, 6

[Text] Barira, Maguindanao—The breakaway Moro Islamic Liberation Front (MILF), in a sudden twist, has thrown its support to the Moro National Liberation Front (MNLF) in peace talks with the government, a top rebel leader said yesterday.

"We find it consistent and reasonable to back up the MNLF in this negotiation because there is only one problem to solve, one sponsoring Pan-Islamic body and we have a common stand as to the basis of the talks," said Al Haj Murad, MILF vice chairman and chief of staff of the MILF military wing, the Bangsamoro Islamic Armed Forces (BIAF).

Murad said that like the MNLF, the MILF has proposed that talking points in the formal peace talks with the government should be focused on the Tripoli Agreement of 1976 and under the auspices of the influential Organization of Islamic Conference [ICO].

Talks between the MNLF and the government slated last May bogged down due to differences on the venue for the holding of the peace talks. The date was moved to June but the venue remains the bottleneck. The MNLF chose Jakarta, Indonesia, as venue, while the government insisted it should be within the country.

Gov. Liningding Pangandaman of the Autonomous Region in Muslim Mindanao (ARMM), meanwhile, offered to host the talks in any of its four component provinces to end the impasse for the venue of the talks.

ARMM is composed of the province of Maguindanao, Lanao del Sur, and the island provinces of Sulu and Tawi-Tawi.

Murad's announcement appeared to be a turn-around from the previous stand of asking the government through the defunct National Unification Commission (NUC), headed by Haydee Yorac, to hold separate peace talks with government.

But Murad did not explain the reason for its new stand, saying, "As long as the interest of our people and our cause shall be the guiding light of the MNLF, there'll be no problem once agreement is reached."

A MILF political officer who asked not to be named disclosed that the ICO, which has been working for the formation of a unified Moro front, apparently has persuaded MILF Chairman Hashim Salamat to support the MNLF to enable the long-stalled peace talks to continue.

Murad's pronouncements, he said, reflects the collective voice of the MILF Central Committee chaired by Salamat, in support of the MNLF and the government's efforts to find a lasting solution to the conflict in Mindanao.

"It has been argued in the past that the MILF has been an obstacle to peace. This new move of the MILF is to show to the government, the public, and the whole world that the MILF is in no way an obstacle to peace," the political officer stressed.

Neither Murad nor the political officer would say categorically if the peace process prevents its military arm, which Armed Forces intelligence reports to be building up its forces, from launching offensives.

Since January, Murad has placed on red alert status its 33,000 armed regulars spread all over Mindanao after it perceived that at least seven battalions of police, army, and marine units had been deployed in the ARMM provinces during the recent regional elections.

Murad's order to its field commanders was to carry out simultaneous counter offensives, explode major bridges to cripple the economy, and launch bombings in urban cities, including Metro Manila, said a rebel commander who revealed that the reported landing of 3,500 arms in the South last November was intended for the MILF.

A new round of peacetalks is set to begin on September, with President Ramos having named Foreign Affairs Undersecretary Manuel Yan as the government's panel chief to dialog with separatist rebels ARMM Vice Gov. Nadil Tan was also appointed member of the government panel.

Moro Rebels Accept Philippines as Talks Venue

HK2108060293 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 20 Aug 93

[Text] Congressman Eduardo Ermita says Moro National Liberation Front [MNLF] Chairman Nur Misuari has agreed to hold the peace talks with government in September in the Philippines.

In an interview at the Manila Hotel, Ermita said Misuari currently has emissaries negotiating with the government and that the MNLF chairman has approved the Philippines as the peace talks venue.

Nevertheless, Ermita said the MNLF chairman has set conditions, among which is that the government should also agree to the talks being held in Indonesia. [sentence as heard]

Manila Urges End to Cambodia Civil War

HK2208075593 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 21 Aug 93

[Text] The government today called for an end to the ongoing conflict in Cambodia. In a statement released by the Department of Foreign Affairs [DFA], the Philippine government condemned the continued use of violence by the communist Khmer Rouge.

The DFA said it agrees with the Thai initiative to end the civil war which has devastated Cambodia's economy.

DFA said the continued Khmer Rouge military action is only a result of the Phnom Pehn interim government's refusal to give in to the communists' demands. Among these demands is allowing Khmer Rouge communists to be part of the Cambodian Armed Forces, as well as the national police.

DFA also said Filipino soldiers now in that country are safe working under the United Nations Transitional Authority in Cambodia which aims to bring peace and democracy back to the country.

Thailand

Prime Minister Reviews Malaysian Ties

BK2008082993 Bangkok Radio Thailand Network in Thai 0000 GMT 20 Aug 93

[Text] Prime Minister Chuan Likphai hosted a dinner reception at the Government House yesterday evening in honor of the visiting Malaysian prime minister.

In his speech, the Thai prime minister expressed his confidence in the close neighborly relations between Thailand and Malaysia, saying that the two countries can settle any problem, which may arise, through peaceful means. Mutual trust and understanding will help the two countries increase their cooperation at the bilateral, regional, and world level. He said the cooperation between the two countries in the Northern Growth

Triangle Economic Development Program, involving southern Thailand, northwestern Malaysia, and northern Sumatra, is a proud example of relations between Thailand and Malaysia. Thailand is pleased to be hosting a ministerial meeting on this issue early next year.

The prime minister said: The two neighboring countries have jointly struggled through crises on several occasions. Our endeavors to promote regional peace and stability have never declined. At present we must maintain peace, which is as difficult as creating peace because several causes of instability and conflict still remain that could become new problems, such as those concerning the environment and human rights. In this connection, we have nothing to be afraid of or elude. In any event, we must join hands to prevent these issues from being used as trade tools.

Chuan Discusses Economic Issues With Mahathir

*BK2008145493 Bangkok BANGKOK POST in English
20 Aug 93 p 1*

[Text] Prime Minister Chuan Likphai last night called on Malaysia to help block attempts by developed nations to use the environment and human rights as reasons for unfair trade practices.

"We have to join hands to prevent these issues from becoming excuses for restrictive trade practices or being treated in a unilateral manner," Mr Chuan told a dinner held for his Malaysian counterpart Mahathir Mohamed. The Premier said these issues have become more important and are potential problems.

Earlier, the Premier and other officials met with the Malaysians at Government House for an hour. Both sides agreed to cooperate on the exchange of information to ensure security along their common border, Government spokesman Aphisit Wetchachiwa told a press conference.

Mr. Aphisit said they agreed that the role of the Regional Border Committee (RBC) should be changed because the threat of communism in northern Malaysia had greatly diminished. They were satisfied with all mechanisms set up to solve bilateral disputes, he added. "The RBC has to be maintained but it has to adapt to changing circumstances," said the spokesman. The RBC was set up to solve border disputes between the two countries.

Thailand and Malaysia also have the Joint Commission to strengthen cooperation. Mr Aphisit made clear that the Government did not bring up the recent unrest in the southern provinces during yesterday's talks. They both expressed a desire to set up a new joint authority with offices in Kuala Lumpur he said.

The two government leaders also exchanged views on China, Cambodia, regional security, the Asia-Pacific Economic Cooperation group, the East Asia Economic Caucus and other bilateral and multilateral economic cooperation.

Mr. Mahathir said the Association of Southeast Asian Nations (ASEAN) should ensure Chinese friendship and economic cooperation with ASEAN because China is expanding its economic role in the region. Mr. Chuan is to pay a 10-day visit to China starting next Wednesday.

The officials who held talks with Malaysia included deputy prime ministers Amnuai Wirawan and Suphachai Phanitchaphak, Foreign Minister Prasong Sunsiri and Deputy Foreign Minister Surin Phitsuwan, PM's Office ministers Sawit Phothiwiwok and Col Chinnawut Sunthonsima and Supreme Commander Air Chief Marshal Woranat Aphichari.

Mr. Mahathir expressed confidence in his speech last night that the private sector will play a more important role in the region.

Mr. Mahathir is accompanied by about 30 Malaysian businessmen on his three-day visit to Thailand, which focuses on economic cooperation. He also called for more "serious efforts" to resolve the conflict in Bosnia-Herzegovina.

The Malaysian prime minister, who arrived here yesterday morning, was granted an audience with His Majesty the King yesterday afternoon.

Malaysian Premier Holds News Conference

*BK2108085193 Bangkok Radio Thailand Network in
Thai 0530 GMT 21 Aug 93*

[Text] Malaysian Prime Minister Datuk Sri Dr. Mahathir Mohamed held a news conference at the Oriental Hotel this morning on the outcome of his official visit to Thailand on 19-21 August. He said the visit was very successful, especially the official consultations on bilateral relations and the expansion of cooperation in various areas. Concerning the Thai-Malaysian border problem, the Malaysian prime minister stressed that the Malaysian Government has never supported the gangs of bandits or terrorist movements operating inside Thailand. On cooperation to solve the problem, he said Thailand and Malaysia already have a joint border committee, which is responsible for the control and monitoring of the situation. Malaysia will not allow the problem to affect the good relations between the two countries.

Touching on the Growth Triangle Economic Development involving Thailand, Malaysia, and Indonesia, the Malaysian prime minister noted that this is a major project of cooperation aimed at achieving a common benefit for all countries. He said that the project will boost the tourist industry of the three countries and will benefit their labor markets as well.

On Cambodia, the Malaysian Government welcomed the outcome of the election in Cambodia, which will certainly pave the way for democratic development in that country. On the dispute over the sovereignty of the Spratly islands, the Malaysian prime minister said that,

in contrast with the aim of some countries, Malaysia is seeking negotiations with China on a joint survey for the development of the natural resources of this group of islands in the South China Sea.

Mahathir Urges Opening Markets, Reducing Tariffs

*BK2108021993 Bangkok THE NATION in English
21 Aug 93 p A3*

[Text] Malaysian Prime Minister Mahathir Mohamad yesterday urged Thailand to join forces with his country to strengthen Asean competitiveness by opening up its market to boost intra-trade. He also called on Bangkok to help consolidate bargaining power among the six member countries to achieve free trade principles being discussed under the Uruguay Round of multilateral trade talks.

Speaking on the second of day of his visit to Thailand yesterday, Mahathir told a group of Thai businessmen that "liberalization will remove market inefficiencies and promote greater economic activities and ultimately bring growth and development to our economies. It is for this reason that we in the region should strive for greater economic cooperation by first liberalizing our own economies," he said.

He also asked Thailand to speed up its plan to cut tariffs on Asean manufactured goods to reach the objectives of the Asean Free Trade Area (Afta). "I hope that all Asean member countries would undertake an accelerated programme of across-the-board tariff cuts to make the Asean region even more competitive and truly a free market where numerous opportunities will prevail," Mahathir said.

His remarks came amid concerns that some Asean countries might back off from plans to liberalize markets under Afta. Starting from this year, Asean members agreed to cut tariffs on their goods to a maximum of five per cent by the year 2008 to enable them to maintain their economic growth rate while the global environment continues to change.

Mahathir asserted that free trade and market liberalization are essential fundamentals for economic growth in Asean. "We must continue to adopt strategies and approaches that will enhance trade and investment within Asean as well as strengthen interregional cooperation," Mahathir told members of Thai Bankers Association, the Board of Trade and the Federation of Thai Industries at the Oriental Hotel.

Mahathir praised the region's success in enjoying solid economic progress, but expressed concern that pressure by the developed countries in the West and their preconditions on trade—such as linking human rights and environment with trade issues—might become a major factor hampering the progress that countries in the region are about to make.

The Malaysian premier was reportedly seeking closer cooperation with Thai businessmen for the manufacture of automobile and auto parts. In his speech, he said due to the similar economic fundamentals between the two states, "there are certainly opportunities for Thai and Malaysian businessmen to come together to jointly participate in industrial and other economically feasible ventures."

With a total of 61 Thai investment projects approved in Malaysia since 1980, involving Thai equity of US\$29.5 million and a total capital investment of US\$82 million, Mahathir said the level of investment is still low, and it can be further increased. About 40 industrial projects are already operational in Malaysia now.

Areas of possible cooperation which Mahathir outlined to the Thai businessmen were the tourism industry, infrastructural development, communications and industrial support facilities.

Mahathir also tried to drum up support for his initiative to create an economic forum among East Asia countries under the so-called East Asia Economic Caucus. "The East Asia Economic Caucus will enable Asean to pursue consultations with other East Asian economies towards the expansion of intra-region economies and the promotion of an open and free global trading system."

Asean's own Asean Industrial Joint Venture programmes should also be boosted to ensure greater participation of East Asia investors, he said. In 1992, bilateral trade between Thailand and Malaysia amounted to US\$2.46 billion. US\$1.48 billion of the total came from Malaysia's exports Thailand.

Mahathir Denies Malaysia Supports Separatists

*BK2208023993 Bangkok BANGKOK POST in English
22 Aug 93 pp 1,3*

[Text] Visiting Malaysian Prime Minister Mahathir Mohamad yesterday strongly denied that Malaysia was supporting and giving asylum to Muslim separatists in the South. But Mr Mahathir conceded that the separatists may have at times sneaked into Malaysia by crossing the forest border which could not be adequately patrolled at all times. "We do not support such movements," he told a press conference yesterday at the end of his three-day of ficial visit here.

He also dismissed that the recent incidents in the South would affect plans for the Northern Growth Triangle, the proposed economic development scheme involving Thailand, Malaysia and Indonesia. "We have had problems before but we've never allowed such problems to strain relations between Thailand and Malaysia," Mr Mahathir said.

Asked how Malaysia can help Thailand suppress terrorism along their common border, he said: "We've always cooperated in fighting illegal activities in the area, no matter whether it is smuggling or terrorism. And we

have a joint border committee to discuss mutual problems." Meanwhile, Prime Minister Chuan Likphai said Mr Mahathir assured full cooperation in arresting criminals and law violators who flee across the border.

Concerning the situation in the south, Mr Chuan said it is necessary for the military to take decisive action against the separatists who attacked an army patrol in Yala last Tuesday. He was commenting on Fourth Army Region commander Lt-Gen. Kittti Rattanachaya's remark that the ongoing suppression drive against the bandits will go on until they have all been wiped out. He said it is the Government's policy to act tough with people who threaten and endanger life of officials, adding "suppression of terrorism was different from the extrajudicial killings in which police are empowered to kill suspected criminals in self-defence".

Mr. Chuan said the Government had not yet received the conclusion of the probe into the torching of more than 30 schools in the South. He said he will meet with representatives of the Fourth Army and agencies concerned in Surat Thani today to discuss the matter. Education Minister Samphan Thongsamak, he said, visited the trouble spots and the schools and reported that the situation was returning to normal. "However, the authorities must be vigilant to prevent any further untoward incidents, Chuan said.

Asked if the arson attacks and the troop ambush were the work of the same group, Mr. Chuan said he would not dare speak out but rather wait for the result of the investigations.

On the public outcry that the only suspect arrested in connection with the arson, Kuheng Kawtawnilo, was just a scapegoat the Prime Minister said: "We have to rely on the judicial process. The Government has to have confidence in its authorities. It's too early to tell whether the man is guilty or not. If the man is innocent, the authorities who arrested him must be held responsible for their action. We want to conclude the arson case as soon as possible but we cannot set a definite timetable because things are easier said than done," the Prime Minister said.

Asked to comment on the suggestion that the arson might be the work of an "old power clique" aiming to discredit the Government, Mr. Chuan said this is also an opinion which could not be denied or accepted. The Prime Minister said he believed the situation in the aftermath of the arson and the hotel building collapse in Nakhon Ratchasima would not adversely affect the tourism industry.

Meanwhile, deputy police chief for security affairs Gen Manat Khrutchaiyan flew to the South yesterday to assess the situation and lay down measures to prevent recurrence of such incidents.

Delegation To Visit Japan To Resolve Labor Issue

*BK2108022993 Bangkok BANGKOK POST in English
21 Aug 93 p 6*

[Text] Deputy Interior Minister Suthat Ngoenmun will lead a delegation to Japan next week to try to resolve the issue of illegal Thai workers and prostitutes in that country, the Foreign Ministry announced yesterday.

Pratyathawi Tawethikun, deputy permanent secretary for foreign affairs, told reporters yesterday the trip to Japan, scheduled for August 24 to 28, was also aimed at seeking an opportunity to open up the strict labour market in Japan.

"We have enough reasons to believe that Japan is considering opening up its labour market," said Mr Pratyathawi, who said the opening may have to be done gradually.

The Thai delegation, consisting of Interior and Foreign ministry officials, is scheduled to meet the Japanese justice minister on Thursday.

Mr. Pratyathawi estimated there were 30,000 Thai workers in Japan, 24,000 of whom were illegal Thai women workers. There were also an estimated 6,000 Thai so-called trainees who were sent by job brokers and who were still to be paid their full wages.

He said the Thai delegation would try to negotiate with the Japanese authorities to legalise their status and respect their basic human rights.

Also, he said the delegation would discuss measures of cooperation with the Japanese authorities concerning a more systematic repatriation of Thai prostitutes without them being charged.

The House Committee on Labour and Social Welfare has granted 100 million baht from the 1994 national budget to fund the repatriation of illegal Thai workers.

Mr Pratyathawi said there were an estimated 80,000 Thai prostitutes still in Japan. He said he expected that 200 Thai women would voluntarily return with the delegation next week. This was because Japan was facing a difficult economic situation and it was no longer easy for Thai workers to earn much money.

Japanese authorities were strengthening measures to suppress illegal workers and prostitutes, he said. He said Japan has prepared a budget of 7,000 million baht to improve prisons for the new arrested workers and prostitutes. But Thailand thought capture could never solve the problem. Instead, Japan should allow their voluntary return.

Three high-ranking police officers would be posted to the Thai Embassy in Tokyo for closer coordination with Japanese police to help arrested Thai women who might need interpreters, he said.

Future Relations With Cambodia Viewed

BK2208041693 Bangkok *THE NATION* in English
22 Aug 93 p A9

[Article by Kavi Chongkittavorn]

[Text] Discussions with leaders of the interim government in Phnom Penh reveal troublesome aspects for future ties linking Cambodia and Thailand. Four major issues that are likely to influence and shape relations are the future status of Thai-Khmer Rouge [KR] links, border demarcation, Mekong cooperation and trade ties.

An ongoing major offensive in the northwestern part of the country, the first since the May election by the unified army of the coalition government, is aimed at inflicting as much damage as possible to Khmer Rouge strongholds near the Thai-Cambodian border in Phum Chat, Banteay Meanchey, as well as areas in Siem Riep, Thmor Puak and Kompong Thom.

At the same time, the offensive is also serving as a yardstick with which to assess Thailand's reaction should Khmer Rouge guerrillas try and seek sanctuary in Thai territory. To date Thai border security forces have disarmed Khmer Rouge fighters before they crossed into Thailand.

In the past, it was customary for Khmer Rouge forces under attack to seek refuge inside Thai territory because Bangkok supported the Marxist group. However, the peace settlement in Cambodia has made such long-standing relations increasingly more difficult to maintain.

Along the lengthy and largely inaccessible boundary line separating the two countries, there are lingering reports of cooperation between Thai and Khmer Rouge leaders in the field without the knowledge of the government or the army.

One senior official of the Cambodian People's Party, requesting anonymity, cited a case in point in the recent attack by Khmer Rouge troops on an Untac (United Nations Transitional Authority in Cambodia) base camp at Chong Amma from the Thai side. The official, who speaks Thai, said the incident raised doubts among Cambodian leaders as to the actual Thai policy towards the Khmer Rouge.

"The Thai government and military leaders say one thing, but the soldiers at the border do not follow the policy strictly," he said. It was the first time Untac had implicated Thailand in an attack on one of its positions. Untac said the Khmer Rouge is able to operate on Thai soil and was even able to detain Untac personnel. The official warned that this discrepancy would damage future Thai-Cambodian ties because, after promulgation of a new constitution, there will be a permanent government in Cambodia and Khmer Rouge activities along the common border will be outlawed.

In responding to the incident, National Security Council chief Gen Charan Kunlawanit harshly criticized Untac, saying it was biased against Thailand. Later, Charan also blamed the Khmer Rouge for trying to draw Thailand into the border conflict by staging raids near the frontier.

Thailand lodged an official protest to UN headquarters in New York and demanded an apology, but the UN stood by its story. The incident represents a major dilemma for the Thai military and the new Cambodian government's unified army. The CPP official, who holds the rank of general, said some Khmer Rouge troops are not under direct orders from the faction's leaders.

When Cambodian co-prime ministers Prince Ranariddh and Hun Sen visited Thailand this month, they made a joint appeal to Prime Minister Chuan Likphai to avoid supporting the Khmer Rouge in any way. Thai-Khmer Rouge ties also have serious implications for ongoing cross-border bilateral trade.

According to informed sources, the trade embargo against the Khmer Rouge merely intensified the extraction of gemstones by Thai traders in areas controlled by the Marxist faction. "Thai companies are working day and night as if there is no tomorrow," said one source.

Aerial photos of the Sangke River and Pailin in Khmer Rouge-controlled territory show huge areas of deforestation caused by mining for gemstones.

When the new Cambodian government is formed next month, all trade contracts with the Khmer Rouge will be outlawed. Prince Ranariddh has made clear to the Thai government on several occasions that the interim Cambodia government will honour contracts signed between Thai traders and the Khmer Rouge, but the new government will have the power to review—and possibly revoke—all trade agreements. According to a Foreign Ministry official of the CPP in Phnom Penh, the new permanent government will deem illegal all deals between Thai traders and Khmer Rouge.

Apart from the troubled Thai-Khmer Rouge ties, future Thai-Cambodian relations also depend on the two countries' attitudes toward the Mekong Committee. After almost 20 years of non participation because of its civil war, Cambodia now wants an active role in projects undertaken by the committee which currently stands at a stalemate.

Cambodia's renewed interest in membership has been developing into a source of tension between Thailand and Vietnam since 1991. It has also blocked further cooperation among other Mekong members. Efforts are underway to move ahead with the cooperation while leaving the issue of new members to be dealt with separately.

Foreign ministry officials here have expressed concern over the pollution of Tonle Sap, Cambodia's Great Lake, in recent years. The level of pollution has reached a critical point, one said. Thailand utilizes the highest

volume of water from the Mekong River. Being an upper Mekong riparian state, Thai land draws water into the Northeast for irrigation, while polluted waters downstream empty into Tonle Sap and Vietnam's Mekong Delta.

Another sensitive issue that could affect Thai-Cambodian ties is the future re-demarcation of about 950 km of the common border. Early comments made by the Funcinpec Party, as well as those of Prince Norodom Sihanouk, about the urgency of re-demarcation worries Thai leaders.

Armed Men Ambush Southern Train, Kill 1, Wound 8

BK2208062593 Bangkok Radio Thailand Network in Thai 0530 GMT 22 Aug 93

[Text] At 0600 today, an unknown number of men using war weapons fired at a Bangkok-Sungaikolok rapid train between Salotalado village and Tambon Maruboto in Rangae District of Narathiwat Province. A passenger was killed and eight others were wounded. The train had to return to Tanyongmat station and remained there for two hours before proceeding to its final destination, Sungaikolok.

The provincial governor of Narathiwat and officials concerned reportedly went to inspect the site of the incident. The dead passenger was identified as Miss Sopha Che-ari, student of Ramkhamhaeng University and resident of House No. 2, Phanason Road, Muang District of Narathiwat Province.

The eight wounded passengers are Sitthiphon Ratanaphan; Likhit Yothathip, train driver; Somkhit Nityaphirom, employee of the buffet coach; Bunsom Phumma, coach maintenance personal; Thongsuk Chanamo, catering service contractor; Chakkarat Narakun; Mrs. Noknoi Nuanprang; and Pradap Phongphonkun. The wounded persons were sent to Rangae and Narathiwat Hospitals.

Further on Train Ambush

BK2208150093 Bangkok Army Television Channel 5 in Thai 1200 GMT 22 Aug 93

[Text] The PULO [Pattani United Liberation Organization] bandits ambushed a Bangkok-Sungai Kolok rapid train in Rangae District, Narathiwat Province, calling for autonomy for Pattani Province.

At 0545 today, a group of bandits armed with war weapons ambushed a Bangkok-Sungai Kolok rapid train running between Maruboto and Katae stations in Rangae District, Narathiwat Province. One woman, Miss Sopha Che-ari, was killed, and eight others were wounded. Authorities inspecting the site of the ambush found a piece of cloth one meter wide and four meters long with a caricature of General Chawalit Yongchaiyut and a description in Thai saying: Schools torched down. There are also caricatures of the commander of the 4th

Army Region and of Prime Minister Chuan Likphai. Authorities found four messages written in Yawi dialect. The 43d Army Rangers unit has already sent troops to hunt down the bandits.

The PULO group of Hayi Dalo Thanam claimed responsibility for the attack saying it wants the government to let Pattani become an independent state according to the wishes of Thai Muslims in the province. It also demands that government authorities stop persecuting Thai Muslims in Pattani Province and calls upon Thai Muslims in Pattani to unite. It also wants the 4th Army Region commander to stop making accusations against the PULO groups.

This afternoon, Deputy Interior Minister Den Tomina called on Interior Minister Gen. Chawalit Yongchaiyut at his house to report on the incident. He said the attack was perpetrated by the PULO group. MP Ariphe Utrasin, of Narathiwat Province, New Aspiration Party, had already warned the governor of Narathiwat about a possible attack. Yet, it could not be prevented. This reflects poor intelligence by the authorities, the deputy interior minister said, stressing that there had already been a warning.

Chuan, Chawalit Comment on Separatist Attack

BK2308015593 Bangkok BANGKOK POST in English 23 Aug 93 pp 1, 3

[Excerpts] The Pattani United Liberation Organisation [PULO] yesterday claimed responsibility for an attack on a passenger train in Narathiwat's Rangae district which killed a Ramkhamhaeng University student and injured nine other people.

The attack is the fourth major incident in less than a month in the south following the torching of 34 schools throughout Pattani, Yala and Narathiwat, a grenade attack on a temple in Narathiwat and the ambush of a military development unit in Yala that left two soldiers dead.

Prime Minister Chuan Likphai said in Surat Thani that it was clear that the train attack was the work of the same movement that began its activities with the arson attacks early this month. [passage omitted]

The police also recovered a plastic bag containing four letters in the Yawi language and more than 200 expended shells of M16, 05 Nato and AK47 rifles. About 30 minutes after the attack, Col Suraphon Seniwong na Ayutthaya, commander of the Civilian-Police-Military Command 43, arrived at the scene in a helicopter with a sniffer dog and mine detectors and defused the bombs.

Fourth Provincial Police Bureau deputy commissioner Pol Maj-Gen Sarot Chintawiro and governor Khiangsak Thammaracharak also went to the scene of attack. Pol Maj-Gen Sarot said that according to latest reports the PULO was joining other separatist groups including the Barisan Revolusi Nasional (BRN) and Barisan Nasional Pembebasan Pattani. (BNPP) to instigate Muslim

youths to take up an armed struggle. He said this had caused many people to believe that his conflict with a politician led to recent incidents in the South. The officer blamed the Press for presenting news that had damaged his reputation.

Governor Khiangsak said Government units of police, military personnel and rangers had been sent to hunt the attackers. Mr. Chuan, who met Lt-Gen. Kitti at Wipha-wadi-Rangsit Military Camp said: "It is clear that the train attack was the work of the same movement which began its activities with the arson attacks which were followed by the ambush." He said Lt-Gen. Kitti had said that it was not necessary to call for reinforcements in the south but there must be improvements in coordination between military, police and administrative personnel.

Mr. Chuan said the Fourth Army commander would soon explain clearly why terrorist-style activities have been intensified in the region. But it was not yet necessary to declare a state of emergency in the region. He said that while he was on an official visit to China this week Deputy Prime Minister Banyat Banthaththan and Defence Minister Gen. Wichit Sukmak would be responsible for overseeing the situation. Mr. Chuan is scheduled to visit Narathiwat today.

Interior Minister Chawalit Yongchaiyut said in Nonthaburi that the train attack was a challenge to state power aimed at undermining public confidence in the Government. He said the attack was well-planned and related to the incidents that took place during the first half of the month. He believed the latest incident was really the work of the PULO.

About one or two weeks ago there were reports of movements of 10 to 20 men in villages but the authorities failed to verify them, Gen. Chawalit said. "The situation in the south is very delicate. If we mishandle it, the situation may turn more violent," Gen. Chawalit said.

He said he did not want to see much use of military force in suppressing the bandits as the Interior Ministry has been discussing reorganisation of police and administrative officials in the region. Deputy Interior Minister Den Tomina claimed he had obtained reports that about 20 PULO members had entered the area of the train attack to kill assistant tambon chiefs and village chiefs who had earlier hunted the bandits.

Narathiwat MP Aripin Uttarasin had told the governor to send police to provide them protection but no action was taken, Mr Den said. The location of the train attack was the same as for a similar incident three years ago.

Lao Troops Arrest 12 Thais for 'Encroachment'

*BK1708040593 Bangkok BANGKOK POST in English
17 Aug 93 p 6*

[Text] Buntharik, Ubon Ratchathani—Twelve Thai villagers from Tambon Khohn were arrested yesterday by Laotian troops for encroaching on Lao territory, an informed source said.

The arrested villagers entered Laos to cut bamboo for making handicrafts, Sawang Musikasan, the chief district officer, said. He said he had dispatched a team of Thai officers to negotiate their release with the Laotian authorities in Phiang village, Champasak Province, where the Thais were believed to be under detention.

He said Thais living along the border have been warned on many occasions not to encroach on Lao territory but the warnings have gone unheeded.

Burmese Authorities Deny Access to Survey Team

*BK2208103093 Bangkok SIAM RAT in Thai 22 Aug 93
p 2*

[Text] Deputy Communications Minister Charat Phua-chuai and his team, surveying a proposed road link between Thailand, Laos, Burma and China, the Indochinese road project, have not been allowed passage through Burma into China.

On 21 August, a press correspondent, accompanying the group of the deputy communications minister, reported from Burma that the group could not travel to Mong La, (Mong Talong), and Keng Tung as planned. The group, which started its journey from Mae Sai District, Chiang Rai Province, crossed the border into Thachilek in Burma and headed for Hpayak and Keng Tung. But upon its arrival at Keng Tung, the group was confronted by Lieutenant General Ne Win U, deputy governor of Keng Tung acting on behalf of the governor, Brigadier General Zaw Win. The deputy governor of Keng Tung told the group that it was not allowed to proceed to the Chinese border through Burma because it had no permit from the Burmese Government.

After Minister Charat negotiated with the Burmese official for passage, the deputy governor of Keng Tung allowed the Thai team to proceed for another one or two km, escorted by three armed Burmese soldiers and by Lt. Gen. Ne Win U himself. But soon after, the Thai team was confronted by another group of 30 armed Burmese soldiers, who blocked the road with a GMC truck. Consequently, the trip of the deputy communications minister ended.

The correspondent reported that while in Hpayak, Deputy Communications Minister Charat told the governor, Lieutenant General Maung Maung Zaw, about the Thai Government's decision to grant aid worth 300 million baht for the construction and repair of Thachilek-Keng Tung road. The governor of Phayak welcomed Thailand's help for the development of a

transport and communications system in Burma, but said Burma expects assistance from the United Nations first. It is seeking assistance from the Asian Development Bank. Burma will only consider help from other governments later on.

Normally, a trip from Thachilek to Keng Tung would take about eight hours, but the Thai team spent two days and one night because of the poor condition of the road, which is a narrow, laterite road, and also because of heavy rain during the trip, which forced the group to travel by car at a speed of 20 km per hour. Road conditions improved after Hpayak, but the asphalt road was only one to two km long. The scenery included mountains and deep valleys. Communications will improve with the repair and construction of the Indochinese road project.

According to the report, the Communications Ministry has a plan to develop Chiang Rai Airport into an international airport. The cabinet has also approved a budget of 20 million baht to build piers in Chiang Saen and Chiang Khong District, Chiang Rai Province; Tha Li District, Loei Province; and Muang District, Nong Khai Province, to initiate a waterway link between China, Burma, Laos and Thailand.

Army Puts 23 Muslim Rebels on 'Hit List'

BK2208025893 Bangkok THE NATION in English
22 Aug 93 pp 1,2

[Text] Twenty-three suspected Muslim separatist guerrillas wanted for last week's ambush that killed two members of an army engineering squad were named in a "hit list" released by the Fourth Army Region yesterday.

Col. Suraphon Seniwong, deputy chief of Army-Police Task Force 43 said yesterday the list of the alleged terrorists, together with their photographs, had been distributed to all army units and immigration offices along the Thai-Malaysian border.

"Army commandoes have been instructed to keep a close watch on relatives of the guerrillas and cut their logistical supplies to isolate them from innocent people," Suraphol told Deputy Defence Minister Sombat Rotphothong at a briefing in Yala yesterday.

Prime Minister Chuan Likhpai said yesterday he had been assured by Malaysian Prime Minister Mahathir Mohamad that Malaysian authorities would cooperate fully with their Thai counterparts in the fight against crime.

On the Fourth Army Region's operation against the guerrillas, Chuan said: "Drastic action will be taken against ambushers. We can't allow them to get away unpunished."

Chuan said he would discuss the situation in the south with senior officials of the army, police, and provincial

authorities in Surat Thani today. He will be accompanied by the National Security Council chief, Charan Kunlawanit.

Meanwhile, about 200 army rangers yesterday joined the more than 500 army troops and border patrol police who have been combing the 5-by-15 kilometre Buyor mountain range where the guerrillas are believed to have hidden. The guerrillas are affiliated with the Barisan Revolusi Nasional (National Revolutionary Front).

Three helicopter gunships flew over the targeted area for a few hours yesterday afternoon. However, no clash was reported between the government troops and the guerrillas.

"I believe I have made myself clear on this. We won't let go of them. We will get them by all means," Fourth Army Region Commander Kitti Rattanachaya told reporters yesterday. "We will eliminate them by all means, as a group or individually," he said.

Fourth Army Region sources said yesterday the army would call off the massive manhunt for the fleeing guerrillas, led by a commander named Mah Sungai Patu, in a few days once it was confirmed that they had already slipped through.

Col. Suraphol also told the deputy defence minister that local residents of villages near the scene of the attack last Tuesday seemed to have known in advance that the guerrillas were laying an ambush. The site of the attack is in Muang district about 15 kilometres from downtown Yala.

"All villagers who had been hired on a daily basis told the engineering squad working on a small irrigation project a few days before the attack that none of them would be working last Tuesday. They did not provide a reason for their absence," Suraphol said.

The task force deputy commander said the engineering squad led by Capt. Niphon Maipho, who was killed in the ambush together with an army private, had been warned against possible attack by guerrillas.

"Capt. Niphon apparently did not heed the warning. He was so eager to finish the project, which required only three days work to complete," he said.

Deputy Defence Minister Sombat told reporters after the briefing that he had instructed the regional army to track down the guerrillas responsible for the ambush, improve the efficiency of its intelligence gathering and to be on alert for any fresh outbreak of terrorism.

He also criticized politicians for their comments and speculation on the situation. "Of course, politicians can criticize government officials. But officials must concentrate on their work and not to allow those criticisms to distract them," Maj. Gen. Sombat said.

Kitti yesterday continued to attack politicians who he said had been making misleading statements about the

situation in the South and obstructing police inquiries into the spate of terrorist attacks in Yala, Pattani and Narathiwat—arson at 35 schools, a grenade attack at a Buddhist temple and the ambush.

Cambodians Flee Fighting Into Thailand 18 Aug

BK2008082593 Bangkok SIAM RAT in Thai 20 Aug 93 p 3

[Text] According to a report from the Thai-Cambodian border, a combined force of the Phnom Penh government and Khmer Serei faction on 18 August attacked a Khmer Rouge stronghold in the vicinity of Phnum Chhat and the Phnum Pa mountains, forcing the people under Khmer Rouge control to flee into Thailand. Seven shells landed inside Thai territory. The fleeing Cambodians were detained by the Burapha Task Force inside Thailand for a brief period and sent back to Cambodia in line with government policy.

The report said that Cha Roeun, commander of the Khmer Rouge unit in the area, said his subordinates had to abandon their stronghold and took their families to safe places. Until 2130, the Khmer Rouge unit with assistance from nearby groups counterattacked the government troops. With their thorough knowledge of the terrain and combat skill, the Khmer Rouge successfully regained their stronghold at 2230 and by 2300 all fleeing Cambodians were pushed out of Thai territory. It is believed that the Khmer Rouge suffered heavy casualties from this encounter.

The correspondent noted that the fighting between the Phnom Penh-Khmer Serei troops and Khmer Rouge inside Cambodia, such as along Route 69 at Thmar Puok and Banteay Chhma villages opposite Ta Phraya District, Prachin Buri Province, has become frequent following Prince Ranariddh's pledge to suppress the Khmer Rouge to achieve national unification. A source inside Cambodia said that the Khmer Rouge will never let the war end.

KR Leader Alleges SRV Behind Attacks

BK2108020193 Bangkok THE NATION in English 21 Aug 93 p A4

[Text] Khmer Rouge [KR] nominal leader Khieu Samphan yesterday called for an end to the fighting between the interim government's troops and his faction, and for talks with the other three Cambodian leaders.

Speaking in Bangkok, Khieu Samphan alleged that Vietnam and certain allies are behind the troops of the interim government that pounded the Khmer Rouge controlled zones in the northwestern part of Cambodia on Wednesday. "We call once again for an urgent roundtable meeting among Cambodian leaders. "We view that such an urgent meeting is the only way to put an end to the current situation," Khieu Samphan said.

The Khmer Rouge leader's call was made shortly after troops of the royalist Funcinpec [National United Front

for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, the government faction and Khmer People's National Liberation Front (KPNLF) launched their biggest attack on Phum Chat in Banteay Meanchey, Siem Reap and Thmar Puok.

"The operation has no military objective but what they [Vietnam] are seeking is to destroy Prince Sihanouk's plan for national reconciliation, to divide Cambodia's national forces and to eliminate the Khmer Rouge," Khieu Samphan told reporters.

The Funcinpec party leader, Prince Norodom Ranariddh, co-prime minister of Cambodia has stressed that he will not allow the Khmer Rouge to occupy their zones any longer. "From now on any group or party that is outside the government is outside the law. And if they are outside the law, then they are the enemies of the government," the prince said at a meeting with his co-premier Hun Sen.

When asked if the Khmer Rouge would have to surrender their weapons before the proposed roundtable discussion, Khieu Samphan reiterated his faction's stance of no disarmament, claiming that main articles of the Paris Peace Agreement have not yet been implemented.

Khieu Samphan called on all national forces in Cambodia not to forget that Vietnamese troops are now implementing a policy of counselling the Cambodian factions. "If the Vietnamese succeed in destroying the Khmer Rouge, they will then crush all Cambodian parties," he said.

Khieu Samphan's comments came after an-hour long discussion with Foreign Minister Prasong Sunsiri here. Prasong yesterday talked with the head of the KPNLF, Son Sann, who also demanded an end to the fighting and sought the possibility of a meeting among the four factions. "We, the Democratic Party of Kampuchea, maintain that the only solution to the current situation is Prince Norodom Sihanouk's plan for national reconciliation, [no end quotes as published] Khieu Samphan said.

The Khmer Rouge fully supported Prince Sihanouk's plan and in response to his appeal for national reconciliation, it put forward two proposals. They were opening talks with the other three factions in seeking an advisory role in the government, and be part of the unified national army. But Prince Ranariddh turned them down.

Prasong meanwhile told reporters that Thailand so far has no plans to provide refuge for those fleeing the fighting into Thai territory. "Once the Cambodians enter Thai soil, those armed will be disarmed and detained while civilians will be repatriated to their homeland," Prasong said. "The Thai side as a neighbour will help to materialize the proposed meeting. But it must be held in Cambodia, not in Bangkok, and be arranged by the Cambodian authorities themselves as the country already has a government of its own," Prasong said.

The minister said he had informed Khieu Samphan that any fighting among Cambodian parties should not affect Thai people and that only talks will solve the present situation.

Article on Relations With Middle East Countries

*BK2308014393 Bangkok THE NATION in English
23 Aug 93 p A6*

[Article by Kawi Chongkitthawon: "New dimension in Thai-Middle East ties"]

[Text] For Thais, the Middle East is an unusual place abound with bizarre stories and sagas. To an average person, the Middle East is but a place where Thai workers are sweating themselves out. More recently, images of the troubled region was played on TV during the Gulf Crisis. And, the saga of the diamond robbery, worth more than Bt [baht] 500 million, fuelled the imagination of Thai people.

These images would soon come to pass as Thailand is trying to diversify its relations with the most volatile region in the world. Moderate Arab countries such as Saudi Arabia, Kuwait, United Emirates [as published] as well as hardline countries like Iran, Iraq have now become a top priority for Thailand's foreign policy as far as the Middle East is concerned.

Of all the Arab world, Saudi Arabia stands out due to its large labour market for Thai workers and a reliable source of oil. However in the past four years Thai-Saudi relations were at a standstill due to the murders of Saudi diplomats and the unresolved diamond robbery from Saudi Royal Family household. Since then, no new working visas were issued for Thai workers.

During the turbulent times, the administrations of former Prime Minister Chatchai Chunhawan and former Prime Minister Anan Panyarachun tried in their own ways to address the issues but did not quite live up to the expectations of the Saudi government.

When the Chuan government came to power almost a year ago, Saudi Arabia was on the priority list as Riyadh renewed its pressure to end the dispute. At the same time, hopes were exceptionally high when a Thai-Muslim MP [member of parliament] from Nakhon Si Thammarat, Surin Phitsuwan, was appointed a deputy foreign minister, that Thai-Saudi ties would be able to move ahead.

After intense reviews and reinvestigations of the murder and robbery cases by the Chuan government and increased mutual dialogue, Thailand and Saudi Arabia began to realize that their relations had been too narrow-based and one dimensional. They agreed that new cooperations were required to strengthen their relations.

During Surin's pilgrimage to Saudi Arabia recently, it was agreed that the two countries would initiate security and investment cooperation. National Security Council

Chief General Charan Kunlawanit is scheduled to visit Riyadh in November to discuss security cooperation with his Saudi counterpart. Stemming from Charan's visit, a hot line could be established to exchange information on security and political issues as well as terrorism—to name a few that would affect the securities of both countries.

After the Gulf war, Saudi Arabia is paying more attention to the security role played by countries in the Asia-Pacific. Both Thailand and Japan provided bases for logistic backups for US forces during the war to liberate Kuwait.

The Saudi government has credited Thailand's role in the Gulf War by allowing US jet fighters to use the U-Ta Phao airbase for refuelling. To keep the momentum going, the two countries decided to add a security dimension to the besieged ties—the first between Thailand and a Middle East country.

Saudi Arabia also sees the economic dynamism of the Asia-Pacific and thinks Thailand is in a good position, given its geographical locations and economic development, to keep the country abreast of economic and political developments in the region.

In addition, there will be an incoming investment from the oil-rich nation this year. The al-Gosaibi Family, one of the most powerful families in Saudi Arabia, has decided to invest about Bt3 billion in the pipe coding industry in the Eastern Seaboard. It represents the first major investment from Riyadh that could have far-reaching ramifications to future Thai-Saudi ties, which have been so far restricted to only labour related issues.

Investments from other Middle East countries are also coming. Dubai has expressed interest in a joint venture concerning drilling equipment. Kuwait on the other hand will also go in a joint venture to refine oil.

Both Iran and Iraq are considered major markets for Thai rice. Thailand wants to import oil from Iran if local refineries agree to make some necessary adjustments to take up the Iranian petroleum.

Despite Thailand's pro-US policy, the country has been very careful not to upset the ties with these two countries. If all these come through in the next year or two, it will mark a milestone in Thailand's foreign policy toward the Middle East, at the very least it will be no longer about Thai workers only.

Vietnam

Activities of U.S. Congress Delegation Summarized

*BK2308164893 Hanoi VNA in English 1439 GMT
17 Aug 93*

[Text] Hanoi VNA August 17 —A delegation of the Trade Sub-Committee under the Budget Committee of

the US House of Representatives led by Chairman of the Sub-Committee Samuel Gibbons paid a visit to Vietnam from August 12-15.

While here, the US congressmen paid a floral tribute to President Ho Chi Minh at his mausoleum.

They were received in Ho Chi Minh City on August 14 by party General Secretary Do Muoi.

Earlier, the US delegation was received by Foreign Minister Nguyen Manh Cam, head of the State Planning Committee Do Quoc Sam, and Minister of Trade Le Van Triet. It held talks with Deputy Foreign Minister Vu Khoan and had working sessions with the National Assembly's Economic and Budget Committee, the Central Institute for Economic Management, the Chamber of Commerce and Industry, and leading officials of the People's Committee of Ho Chi Minh City. This has been the first visit of a delegation of the trade sub-committee of the US House of Representatives, and the biggest US congressmen delegation to Vietnam so far. During their working sessions, the US congressmen paid attention to the socio-economic situation in Vietnam, its trade possibilities, and investment, and foreign policies. They spoke highly of the initial achievements of the economic renovation policy, the open-door policy and efforts of the Vietnamese Government and people in economic development, and national construction. Regarding the US-Vietnam relations, the congressmen said that it is the time for two countries to strive for the normalization of their relations in the interests of the two peoples. They highly appreciated the active cooperation of the Vietnamese side in solving the MIA issue, which they noted, has brought in good results. They expressed their sympathy to Vietnam over the difficulties it met in searching the Vietnamese missing during the war. The Vietnamese side informed the US guests of the country's all-sided renovation policy, and its open-door foreign policy, to be friend with all. On the MIA issue, Vietnam continues cooperating actively with the US side to solve this problem in the humanitarian spirit.

Hanoi Reports U.S. Congressmen To Assess MIA Issue

*BK2008122493 Hanoi Voice of Vietnam in English
1000 GMT 20 Aug 93*

[Text] Democratic Senator Charles Robb of Virginia arrived in Hanoi on Thursday for a two-day visit to Vietnam. Senator Robb is here to look into relations between the United States and Vietnam, and to assess progress on the MIA issue.

He will be followed by Representative Dave McCurdy, Democrat from Oklahoma, and Senator Richard Shelby, Democrat from Alabama. In addition to reviewing progress in the MIA issue, Mr. McCurdy will study the investment environment, while Senator Shelby will acquaint himself with Vietnam's renovation policy.

Vo Van Kiet Receives Senator Robb

*BK2108153593 Hanoi VNA in English 1513 GMT
21 Aug 93*

[Text] Hanoi VNA August 21—Prime Minister Vo Van Kiet received here yesterday Senator Charles Robb, chairman of the East Asia and Pacific Subcommittee under the External Relations Committee of the House of Representatives of the United States, on a visit to Vietnam.

During the reception, Senator Charles Robb expressed his satisfaction at the fine results of his working sessions with leaders of Vietnam's localities and branches, and at the rapid development of the relations between Vietnam and the international community as well as its important role in the region.

On the Vietnam-US relations, Mr. Charles Robb highly appreciated the Vietnamese Government's and people's efforts and goodwill in the settlement of humanitarian issues, especially the issue of American servicemen missing in action in the Vietnam War (MIA). He told the prime minister that US companies have many opportunities to cooperate with Vietnam in various fields, especially in oil and gas industry, infrastructural construction, tourism and food processing. He said he hoped that US's economic embargo against Vietnam would soon be lifted so that US companies could enter into economic contracts with Vietnam. He expressed his support for President B. Clinton's statement dated July (?27) 93 in which he expressed his decision to end US opposition to the efforts of other nations to clear Vietnam's arrears in the International Monetary Fund (IMF), and hoped that the president would take steps forward the lifting of embargo and the normalization of its relations with Vietnam.

For his part, Prime Minister Vo Van Kiet welcomed Senator Charles Robb's visit to Vietnam and highly appreciated his efforts to promote the bilateral relations. Mr. Kiet noted that the normalization of relations between Vietnam and US is not only for the benefits of the two countries but also for peace, stability and development in the region.

Earlier, Senator Charles (?met with) Minister of the Interior Bui Thien Ngo, Minister for Foreign Affairs Nguyen Manh Cam and toured Ho Chi Minh City and Quang Nam-Da Nang province. He also had working sessions with the people's committees of the said provinces.

Senator Charles Robb left here yesterday.

Russian Trade Union Delegation Visits

*BK2108150593 Hanoi VNA in English 1453 GMT
21 Aug 93*

[Text] Hanoi VNA August 21—A delegation of the Russian Union of Independence Trade Union Organization led by Vice Chairman Vladimir Kumenko has paid

a friendship visit to Vietnam as guest of the Vietnam General Confederation of Labour (VGCL).

During its stay here, the delegation had working sessions with a delegation of the VGCL led by its Chairman Nguyen Van Tu. The two sides informed each other of its country's situation as well as activities of its organization aimed at protecting the working people's legal rights. They also dealt with issues relating to the trade union movement in each country and in the world

Communique on National Assembly Team's Visit to Laos

*BK2008070993 Hanoi VNA in English 0641 GMT
20 Aug 93*

[Text] Hanoi VNA August 20—A high-level delegation of the National Assembly led by its Chairman Nong Duc Manh, who is also Politburo member of the Communist Party of Vietnam (CPV) Central Committee, paid an official friendship visit to Laos from August 15-19.

While in Laos, the delegation held talks with a delegation of the Lao Supreme People's Assembly led by its President Samane Viyaket.

The two sides informed each other of the present renovation process in each country exchanged views on measures to consolidate and promote the cooperation between the two countries, and on the international and regional issues of common concern.

The two National Assembly leaders affirmed their countries' wish for further expansion of the friendly, cooperative, equal and mutually beneficial relations with all nations, thus, actively contributing the building South-east Asia into a region of peace stability, cooperation and development.

The two sides welcomed the results of the elections in Cambodia, and affirmed their consistent policy to strictly implement the Paris agreement the Paris agreement on Cambodia [sentence as received]. They expressed their desire to see Cambodia become a peaceful, neutral, non-aligned nation which has friendly relations with all countries. The two sides strongly condemned the Khmer Rouge for the continuation of their policy of terrorism and killing of Vietnamese nationals in Cambodia.

Chairman Nong Duc Manh invited President Samane Viyaket to Vietnam for an official friendship visit. The invitation was accepted with pleasure and the time of the visit will be decided through the diplomatic channel.

Hanoi Welcomes Foreign Help To Clear IMF Arrear

*BK2008060093 Hanoi Voice of Vietnam in English
1000 GMT 19 Aug 93*

[Station commentary]

[Text] Negotiations have been held in Hanoi between Vietnam and some of the economically-strong countries in the world to help Vietnam clear its arrear of \$140 million to the International Monetary Fund. Our radio editor has this to say:

Relations between international financial organizations and Vietnam have developed strongly after U.S. President Clinton's decision on July 2 to allow International Banks to loan Vietnam.

On July 15, 1993 the Managing Council of the International Monetary Fund decided to resume normal relations with Vietnam with conditions that Vietnam clears its existing \$140 million debt. The World Bank and the Asian Development Bank also announced their resumed credit grants to Vietnam. Japan, France, Australia, Belgium, Canada, Germany, and Sweden are taking active measures in helping Vietnam to clear its arrear.

Sources close to the Hanoi negotiations said on Tuesday that Japan and France will each pay \$50 million to help settle Vietnam's \$140 million arrear to the International Monetary Fund. At least five other countries such as Australia, Belgium, Canada, Germany, and Sweden are expected to supply the remaining \$40 million. These seven countries and possibly others are due to attend a Vietnam Supporting Group Conference in Paris in mid-September.

Meanwhile, the UN Development Program and World Bank have accepted the Vietnamese Government's invitation to organize an international conference of eight donor countries to Vietnam in November this year in Paris. This will be the first international conference of donors to Vietnam. This is a turning point for the cooperation and assistance of the International Community to Vietnam. It also expressed the determination of international financial organizations to help Vietnam integrate into the International Community by resuming credit grants to Vietnam.

Details of Ministry News Conference Reported

*BK2008121893 Hanoi Voice of Vietnam in English
1000 GMT 20 Aug 93*

[Text] Foreign Ministry spokeswoman Mrs. Ho The Lan hailed the coming visit to Vietnam by co-chairmen of the National Provisional Government of Cambodia, Prince Ranariddh and Mr. Hun Sen. She said Vietnam hopes the visit will strengthen cooperation and friendship between the two neighbors.

On the massacres of Vietnamese residents in Cambodia by the Khmer Rouge, Mrs. Ho The Lan said:

We strongly condemn the barbarous acts of the Khmer Rouge against Vietnamese residents. Once again, we notify the world of the brutality and the large scale of the campaign terror against Vietnamese residents conducted

by the Khmer Rouge. We urgently call on the world community to stop the Khmer Rouge's anti-Vietnamese atrocities.

Mrs. Ho The Lan also addressed the issue of Cambodians of Vietnamese descent who are stranded at the border. She said:

These people have settled in Cambodia for a long time and they want to return to their homes in Cambodia. Their wish is legitimate. Vietnam has asked the provisional authorities of Cambodia, especially the National Provisional Government, to receive and facilitate their return to normal life.

Mrs. Ho The Lan said that this issue will be discussed during the coming visit to Vietnam by the two co-chairmen of Cambodia. Vietnam welcomes UNTAC's mission to assist these people to find solutions to their problems.

On the U.S.-Vietnam relations, Mrs. Ho The Lan said that on Thursday, a delegation led by U.S. Senator Charles Robb, chairman of the Southeast Asia-Pacific Subcommittee, was visiting Vietnam for two days. Mr. Robb will be followed by a house representative, Mr. Dave McCurdy, member of the Armed Forces and Science Committees, who will visit from 27 to 28 August. Then Senator Richard Shelby, member of the Senate Armed Forces and Banking and Housing Committees [committee names as heard], is expected to arrive on 31 August. The aim of this visit is to study relations between the two countries and progress being made on the MIA issue, the business environment, and Doi Moi—the renovation policy of Vietnam.

Vo Van Kiet, Phan Van Khai Hold Working Session

BK2008101993 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 19 Aug 93

[Text] Prime Minister Vo Van Kiet and Deputy Prime Minister Phan Van Khai held a working session in Vung Tau on 17 August with leading cadres of Ba Ria-Vung Tau Province and representatives of ministries and sectors at the central level to discuss the general plan for the province and the city of Vung Tau.

Comrade Nguyen Luu Minh, chairman of the provincial people's committee, and representatives of the Ministries of Construction and Communications and Transportation and the Vietnam Tourism General Department briefed the prime minister on details of the general plan for the province. They also suggested some concrete issues related to the general plan.

Deputy Prime Minister Phan Van Khai contended that a basic step has been satisfactorily completed in formulating the general plan. This is due to the great efforts of the local administration and agencies concerned at the central level. He also stressed the organic relations between Ba Ria-Vung Tau and other regions in the

country. He raised various tasks that must be carried out to perfect the general plan for submission to the government for approval so as to make preparation in anticipation of its implementation.

Prime Minister Vo Van Kiet urged the province and sectors concerned to hold the guiding thought firmly in formulating the general plan for Ba Ria-Vung Tau and other localities.

It is necessary to formulate lines and policies to develop various regions throughout the country in the immediate future. On a long-term basis, it is necessary to build a base for perfecting plans for the country, thereby meeting requirements for development in the year 2000 and subsequent years, assuring harmony and uniformity between the economy and society and between localities and the region.

The prime minister stressed that pending approval of the general plan, Ba Ria-Vung Tau Province and Vung Tau should formulate measures to resolve pressing issues related to the local infrastructure, city management, the people's livelihood, and the environment. Efforts must be made to use the budget effectively, save capital, complete work in accordance with planning, conduct open bidding for construction projects, and strive to oppose negative phenomena.

Vu Oanh Visits Ho Chi Minh City Precinct

BK2008135593 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 19 Aug 93

[Text] Comrade Vu Oanh, member of the Political Bureau and director of the Mass Mobilization Department of the party Central Committee, recently paid a working visit to the party committee and people's committee of Ho Chi Minh City's Tan Binh precinct.

Comrade Vu Oanh was briefed by Comrade Le Van Tiet, chairman of the Front Committee of Tan Binh precinct, on the implementation of Political Bureau Resolution No. 24.

Tan Binh precinct has many religions, and the number of religious followers accounts for half of its total population of 450,000. Therefore, the local party organization and administration are paying great attention to mass mobilization work among religious followers.

All party and state policies on religion have truly been respected by the local administration. Efforts have also been concentrated by the precinct on developing animal husbandry and production to solve the problem of employment for the people, including religious followers.

Production in the first six months of 1993 increased by 31 percent over the same period last year. The precinct has invested more than 104 billion dong in stepping up capital construction; developing education; and building

hospitals and schools. It has also attached importance to cultural work with the aim of improving the people's livelihood.

Comrade Vu Oanh visited the 6th subward, where 85 percent of the population are Catholic. He commended local cadres at various levels for having overcome many difficulties in an effort to enforce the policy on religion in a satisfactory manner and successfully develop the role of the subward's front committee in ensuring parallel relations between Catholic and Buddhist followers. As a result, they have been able to launch satisfactorily many movements for mass activities to help increase production and improve the people's livelihood.

Doan Khue Writes to Institute of Technology

BK2008102793 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 19 Aug 93

[Letter from National Defense Minister General Doan Khue to cadres, combatants, workers, and personnel of the Institute of Technology on the occasion of its 20th anniversary; date not given]

[Text] Dear Comrades: On the 20th founding anniversary of the General Defense Industrial and Economic Department's Institute of Technology—21 August 1973 to 21 August 1993—on behalf of the party Central Committee Military Commission and the Ministry of National Defense, I convey my kind regards and warmest greetings to all cadres, combatants, defense workers and personnel, disabled and ailing soldiers, families of fallen combatants of the Institute of Technology, and other comrades of the institute who have retired from active duty or have been transferred to other branches.

Throughout 20 years of construction and development under the leadership of the Communist Party of Vietnam and respected and beloved Uncle Ho—and thanks to the loving care and assistance provided by party and administrative organizations and the people in various localities and scientific, technical, and economic agencies in and outside the Army—cadres, combatants, and defense workers and personnel of all generations of the Institute of Technology have always remained loyal to the party and achieved unity in surmounting difficulties and hardship. They have also taken the initiative and demonstrated their creativity and sense of self-reliance in their struggle to carry out all assignments in a satisfactory manner.

Research work conducted and new scientific and technical findings applied by the Institute of Technology have contributed effectively to various production sectors in support of national defense and other activities of our people's armed forces. The General Defense Industrial and Economic Department's Institute of Technology has had the honor of receiving many orders, medals, and other high distinctions from the party, state, and Army for its economic work.

On this occasion, I warmly commend the General Defense Industrial and Economic Department's Institute of Technology for its achievements during the past 20 years. I hope that you, comrades, will develop your traditions and achievements even more vigorously by constantly striving to undergo training to improve your political aptitude and persist in the socialist objectives and viewpoints.

You, comrades, must also exert efforts to improve the quality and efficiency of scientific and technical research; promptly apply new scientific and technical findings to the production of goods in support of national defense and economic development; pay attention to and improve the material and spiritual life of cadres, combatants, and personnel; successfully implement the resolutions of the seventh party congress and the party Central Committee Military Commission respectively on national defense work and the tasks of the General Defense Industrial and Economic Development under the new situation; and make the Institute of Technology firm and strong in every respect so that it can fulfill all assignments in an outstanding manner.

May I wish you, comrades, good health and progress.

My cordial and determined-to-win salutations.

Vo Van Kiet Writes to Outstanding Students, Teachers

BK2108142993 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 20 Aug 93

[Prime Minister Vo Van Kiet's 14 August letter to students and teachers at a Hanoi get-together of young talents]

[Text] On 14 August Prime Minister Vo Van Kiet, on behalf of the government and in his capacity as honorary president of the Fund in support of young Vietnamese talents, sent a letter to the students and teachers attending the first national get-together of young talents in Hanoi. The letter says:

I have learned that the fund in support of young Vietnamese talents is holding the first national get-together of young talents, comprising students who have won first prizes in various national and international competitions for outstanding students in the 1992-93 academic year and some young experts in the fields of culture and art and outstanding teachers who have have been at pains to train these young talents. It is my great regret, however, that I cannot attend the get-together due to the government's busy work schedules in the central and southern localities.

On behalf of the government and in my capacity as honorary president of the fund in support of young Vietnamese talents, I extend my cordial greetings to the get-together and convey my kind regards to all the students, teachers, and delegates attending this highly significant meeting.

Particularly, I commend all the outstanding students at this get-together as well as other outstanding students throughout the country for their successes. They are truly worthy of symbolizing the Vietnamese younger generation today—those who are intelligent and creative and have the will and determination to study and work hard.

At present and in the near future, the renovation process in our country—which is to be carried out ever more vigorously, deeply, and broadly—requires more and more cadres for use in national construction and defense. Therefore, students must now study even harder to promptly acquire scientific and technical knowledge and advanced technology so as to become competent cadres capable of assuming various tasks under the new situation, thus helping to quickly extricate our country from a state of poverty and underdevelopment.

It is the responsibility of the administration at all levels to pay still greater attention to studying and teaching conditions, to the renovation or repair of schools and classrooms, and to the enforcement of the policies and measures that have just been decided by the government.

With that earnest wish and with my strong confidence in our younger generation, let me bestow many kisses on our students throughout the country and wish them many new successes in the 1993-94 academic year.

May I wish all the students, teachers, and delegates attending the get-together good health and happiness.

Last Part of Law on Publication Published

BK2008085793 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 29 Jul 93 p 3

[Text]

Chapter IV

State Management of Publications

Article 32. The government uniformly manages publishing activity in the entire country; submits draft laws and regulations on publishing activities; sets out planning for publishing development, investment, and cooperation with foreign countries; and issues decisions on the state management and policies on publication and printing in conformity with the Law on Government Organization.

Article 33. The Ministry of Culture and Information is a government organ that implements the uniform state management of publishing activities in the entire country. It has the duty and authority:

1. To manage uniformly and outline planning for long-term and annual development of publishing activities. To control the implementation of publishing plans. To organize training and refresher training for cadres working in the publishing field.

2. To compile draft laws, regulations, and other government bills on publication and issue decisions, circulars, and directives on publishing activities.

3. To issue and revoke business licenses of publishing houses; printing establishments; establishments for the production of audio tapes, audio discs, video tapes, and video discs; and state-run publication establishments of government ministries, departments, sectors, and mass organizations at the central, city, and provincial levels.

To issue and revoke registration certificates for the approval of publishing plans of publishing houses.

To decide to withdraw, confiscate, ban from circulation, and destroy publication products.

To put an end to the activities of publishing houses; printing establishments; establishments for the production of audio tapes, audio discs, video tapes, and video discs; and the aforementioned state-run publication establishments when they violate the law.

To grant permission for organizations and individuals to set up joint ventures with foreign partners in the fields of printing and publication.

4. To provide guidelines; conduct inspections; and control the implementation of policies, duties, and regulations relating to publishing activities. To apply measures to prevent illegal publishing activities. And to reward and deal with violations of the law.

Article 34. The people's committees of provinces and cities under the direct management to the central government carry out state management of publishing activities in their localities. They have the duty and authority:

1. To outline planning for the development of publication and printing in their localities.

2. To issue and revoke business licenses of printing and publication establishments of local organizations and individuals according to the Ministry of Culture and Information's regulations.

3. To provide guidelines, conduct inspections, and control printing and publication in their localities. To temporarily cease the execution of a permit issued by the state agency in charge of overseeing publishing activities if they discover any violations. They must report the matter immediately to the Ministry of Culture and Information to confiscate, withdraw, ban from circulation, and destroy publication products under their authority according to government regulations.

The provincial departments of culture and information are responsible to the people's committee of the provinces or cities under the direct management of the central government for the management of publishing activities in their localities.

Article 35. The state agencies in charge of overseeing publishing activities must decide within 60 days after

they receive an application to set up a publishing house, printing enterprise, or publication establishment. If the application is not approved, they have to state the reason clearly. Organizations whose application to set up a publishing house is rejected; and organizations, partnerships, and individuals whose application to set up a printing enterprise or publication establishment is rejected, have the right to appeal according to the law.

Article 36. The Ministry of Culture and Information sets up a system of specialized inspection on publishing activities in the entire country.

The duty and authority of inspection agencies and inspectors at all levels are stipulated by the Regulation on Inspection.

The inspection work includes:

- Inspecting the state management in publication and printing;
- Inspecting the execution of a permit given to publishing houses, printing enterprises, and distribution establishments;
- Inspecting the implementation of the Law on Publication.

Article 37. Organizations and individuals working in the fields of publication and printing are responsible for meeting the demands of inspection teams and inspectors who are conducting inspections in the establishments. Organization and individuals have the right to appeal to the inspection agency or state agency in charge of overseeing publishing activities at a higher level about conclusions and decisions of the inspection team or inspectors.

Organizations and individuals have the right to complain and report violations of publishing laws by any organization or individual to the state agency in charge of overseeing publishing activities or inspection agency. The state organ that receives the complaint or report is responsible for examining and dealing with the matter according to the law.

Chapter V

Rewards and Dealing With Violations

Article 38. Organizations and individuals who perform outstanding work in publishing activities are rewarded according to government regulations.

Article 39. Directors, editors-in-chief of publishing houses, authors, chiefs of organs in charge of publishing houses, heads of state agencies in charge of overseeing publishing activities, and other organizations and individuals who violate this law will have to rectify themselves publicly in newspapers; or be disciplined, dealt with by an administration measure, or charged under the Criminal Law according to the nature and extent of their violations.

Article 40. Publication products that violate the stipulations of Article 20 and 21 of this law are to be temporarily stopped from circulation, banned from circulation, withdrawn from circulation, or confiscated according to the extent of their violations.

Publication products that do not have a publishing permit or with contents violating Article 22 of this law are to be banned from circulation, withdrawn from circulation, confiscated, or destroyed.

Article 41. Organizations and individuals who, in their publishing activities, cause damage to other organizations and individuals must give compensation for the damage according to the Civil Law.

Chapter VI

Enforcement Clause

Article 42. Based on this law, the government shall regulate the dissemination of publication products by organizations and individuals to foreign countries and the publication and printing of foreign organizations' and individuals' publication products in Vietnam.

Article 43. This law supersedes Decree 003-Slt on publication, dated 18 June 1957.

All previous stipulations at variance with this law are rescinded.

Article 44. The government shall issue detailed regulations for the enforcement of this law.

Article 45. This law comes into effect on the day of issuance.

This law was passed by the Third Session of the Ninth National Assembly of the Socialist Republic of Vietnam on 7 July 1993.

[Signed] National Assembly Chairman Nong Duc Manh

Australia

Evans on 'Dramatic New Sense' of Asia-Pacific Community

BK1808143393 Melbourne Radio Australia in English 0800 GMT 18 Aug 93

[Text] Australia says there is a dramatic new sense of an Asia-Pacific community covering both economic and security issues. Foreign Minister Gareth Evans said the meeting of regional foreign ministers at the ASEAN conference in Singapore last month showed the rapidly-growing sense of an Asia-Pacific community.

Senator Evans told parliament in Canberra that the Asia-Pacific region was (?thinking of acting) more on common objectives. He referred to the decision at the Singapore meeting to establish a new regional security forum, which would allow serious discussion on a range of issues about which Australia was greatly concerned.

Vanuatu

Prime Minister Announces Cabinet Changes

BK1908134693 Hong Kong AFP in English 0941 GMT 19 Aug 93

[Text] Port Vila, Aug 19 (AFP)—Vanuatu Prime Minister Maxime Carlot Thursday announced a much-awaited reshuffle in his government, but said the changes were "minor."

During a press conference here Carlot said health minister Hilda Lini, former prime minister Walter Lini's sister, will leave the government and be replaced by Edward Tabisari.

Newcomer Robert Karie, former deputy speaker of parliament, takes over agriculture from Onneyn Tahi who moves across to postal services, telecommunications and meteorology, replacing Tabisari.

The prime minister pointed out that the changes were made at the request of the junior party in the current ruling coalition—Walter Lini's National United Party (NUP).

But he said he had not made all the changes the NUP had asked for, adding the reshuffle had been "minor" and made for the sake of "continuity, stability", and for "the work to go on."

Walter Lini had asked for the justice, culture and women's affairs ministry. His sister, while out of the cabinet, has been appointed the new leader of government business, Carlot said.

Coalition Government Collapses

BK2308024293 Hong Kong AFP in English 0209 GMT 23 Aug 93

[Report by Patrick Decloitre]

[Text] Port Vila, Aug 23 (AFP)—A 20-month experiment in power-sharing between French-speaking and

English-speaking parties ended Monday when the coalition government of the Pacific island nation of Vanuatu collapsed following a controversial reshuffle.

Former premier Walter Lini announced that his National United Party (NUP)—the junior coalition partner—would no longer support Prime Minister Maxime Carlot, who heads the Union of Moderate Parties (UMP).

Lini's statement was broadcast by national radio after parliament was adjourned until Monday afternoon for crisis talks between the two parties.

"When the session resumes the NUP will stand as a central party", Lini said.

The first sign of the imminent fall of the government came when the newly appointed Agriculture Minister Robert Karie handed Carlot a letter of resignation just before parliament convened on Monday morning.

When the 46-member parliament opened, all 10 members of the predominantly Anglophone NUP were sitting separately from members of the French-speaking UMP.

Karie had been appointed on Thursday in a reshuffle when Carlot refused to give one of the four NUP seats in his cabinet to Lini.

In his statement, Lini described the reshuffle as "high provocation. [no closing quotation mark as received]"

Government Retains Slim Majority

BK2308081793 Melbourne Radio Australia in English 0500 GMT 23 Aug 93

[Text] In Vanuatu, the government of Prime Minister Maxime Carlot (Cormen) appears to have a slim majority despite the collapse of its coalition agreement with the National United Party [NUP]. South Pacific correspondent Jemima Garrett says the end of the coalition was announced earlier today by the NUP leader Father Walter Lini.

[Begin Garrett recording] The first parliamentary sitting since crisis talks between Father Lini and Mr. (Cormen)'s Union of Moderate Parties represent a split in the NUP, with the three NUP ministers and the NUP leader of government business taking their chances with the government rather than on the cross benches with their party colleagues. The apparent defections give Prime Minister (Cormen) a two-seat majority in the 46-seat House, and for the moment thwarts Father Lini's year-long campaign to join forces and form an alternative government with the opposition. Father Lini's move to end the coalition follows Mr. Cormen's failure to give him a cabinet post in last week's reshuffle. The turmoil within the government prompted the speaker to suspend further business until Wednesday. [End recording]

